The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Muddled U.S. Diplomacy in Far East Caused by Neutrality Legislation

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(By the Review's Hankow Correspondent)

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From a General to a Monk . . . . . By T. S. Young

Should China Cease Squabbling with Soviets and Adopt Policy of Cooperation? . . . . By C. Y. W. Meng

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

FOREIGN INSURANCE FIRMS AND CHINA PERIODICAL LITERATURE

LIN YUTANG, whose book "My Country and My People, was a best-seller in America and whose writings in the *China Critic* and *Tien Hsia Monthly* are read and quoted throughout China and abroad recently stated that "periodicals are the best indication of a country's cultural progress." But as Dr. Lin is the editor of a monthly and assistant editor of a weekly, we can hear someone declaring that he is a biased judge and was merely boosting his own game when he referred to the importance of periodical literature.

Therefore we turn to another authority, a well known educator, who has no connection with any magazine of any character, Dr. W. B. Nance, who has just completed 40 years in China as a teacher and university executive. In the course of an address delivered a few days ago at Soochow University where he served for so many years as President, Dr. Nance referred to the importance of magazines which recorded the history of the country month by month. He referred to one early magazine edited by Young J. Allen, known as the *Vankwehkongpao*, which had paved the way for the many magazines now published in China.

We cited the foregoing statements on the importance of periodical literature in the general scheme of things in China because it has just come to our attention that the Foreign Insurance Association, an organization with a membership of some 150 leading foreign insurance firms some months ago passed a resolution forbidding any of its members to place advertisements in any publication other than certain daily newspapers. The motive for adopting such a resolution is not known, but one member who claimed he had nothing to do with the action, but was bound by it nevertheless, stated that the Insurance Association had not only adopted a resolution barring its members from advertising in any weekly or monthly magazine in China but had made sure of

observance by attaching a penalty subjecting any violator to a heavy monetary fine.

It is almost unbelievable that a group of intelligent foreign businessmen, made up chiefly of Britishers and Americans, managers of foreign insurance companies doing profitable business in China, could be so short-sighted as to take such an action, but an inspection of the long list of periodicals published in China in the Chinese and foreign languages proves the truth of the accusation as none of them contain a single advertisement of an insurance company. But the strangest part of it is that these same insurance companies, which boycott all periodicals in China, are the leading advertisers in magazines at home in the United States and Great Britain. For example the latest issues of such magazines as *Time, Literary Digest, Saturday Evening Post* and similar journals contain the announcements of from six to a dozen leading American insurance companies, some of which are represented in China.

As stated in the foregoing the motive for the action is not known, one foreigner connected with a leading company suggesting a conspiracy to monopolize insurance advertising by certain foreign daily newspapers. If this was the motive it carries its own penalty because the circulations of the dailies are very small indeed when compared to that of some of the leading periodicals. Another element is the concentration of daily newspaper circulation in the treaty ports whereas many of the leading magazines are read all over the country, witness the *Life Weekly* which had a circulation of 155,000 when the Japanese forced a Chinese court to imprison the editor due to the publication of an article which displeased Japanese warlords. We recommend that foreign insurance executives who, because of ignorance or some other equally inexcusable reason, were responsible for the advertising boycott of periodical literature, should peruse an article dealing with contemporary Chinese periodical literature which appeared in the March issue of *Tien Hsia*. The article was written by Lin Yutang who told of the importance and significance of this type of journal in China and also stated the important fact that the number of periodicals in China is now approaching the 1,000 mark. But, as stated in the foregoing, despite the Lin Yutangs, the Tu Chungyuans, Hu Shihs, the W. Y. Wongs and other famous editors and publishers of magazines in China not one of the 150 foreign insurance companies, who derive great profit from business in China, is permitted to place an advertisement in any of these journals.

Japanese Office War Calls Another Conference to Decide Fate of China - Also Russia!

ACCORDING to a report in the *Yomiuri Shimbun* (Tokyo April 16) the Japanese Army General Staff has decided to call another conference of military attaches and resident military espionage officers to be held in Nanking or Shanghai about the middle of May, the purpose being to discuss Japan's future policy toward China and Russia. The report stated that the Army authorities regarded such a conference necessary following the Tokyo rebellion of Feb. 26. It was stated further that the army was dissatisfied with the "lukewarm" attitude of Generals Chiang Kai-shek and Chang Chun (Nanking Foreign Minister,) toward Japan, but particularly regarding Nanking's attitude toward Japan and the Soviet Union concerning the Soviet-Manchukuo and the Manchukuo-Mongolian disputes. In view of the uncertainty which exists in Japan regarding China's attitude on these important matters the military authorities had decided to make a "strict re-examination" of China's policy toward Japan. It also was felt that a "complete and epoch-making renovation" of Japan's policy toward China was needed following the organization of the Hirota Cabinet and the appointment of Hachiro Arita as Foreign Minister.

In addition to the foregoing report the Yomirui Shimbun published a dispatch from its correspondent in Shanghai outlining the subjects which are scheduled for discussion at the forthcoming conference of Japanese military attaches and espionage officers stationed in all Chinese cities. The subjects, seven in number, as outlined in the Shanghai dispatch in the Tokyo paper were as follows:

1—The Japanese army has reasons to believe that the attitude of the Nanking Government toward the Soviet-Outer Mongolian pact of mutual assistance and particularly the National Government's protest to Russia were "made-up" jobs and that China actually has a secret treaty with the U. S. S. R. The Japanese army requires a "clarification of the truth" about these matters.

2—In consideration of the effect on North China of the occupation of Shansi province by the forces of the Central Government in connection with the anti-red campaign, it has become necessary for the Japanese army to consider the matter of demanding the withdrawal of Nanking troops from Shansi.

3—The National Government is now "desperately endeavoring" to unify the Chinese army, including the military training of Chinese students on a three-year plan. Nanking is also trying to popularize ideas of national defense and is developing various types of military equipment along the Yangtsze River and at various ports along the coast. As these military preparations are clearly for the purpose of opposing Japan, it is necessary for Japanese army officers stationed in China to consider counter-measures.

4—Evidence is available that the Nanking Government has made plans for "crushing" the East Hopei Autonomous Government by

means of intrigue and bribery, particularly since the Central Government's intervention in Shansi.

5—In view of the "failure" of Nanking and the Southwestern faction to patch up their differences there is a possibility that the Southwestern faction may form an alliance with the East Hopei Regime against Nanking.

6—The Japanese army must devise counter-measures to cope with the activities of Sir Frederick Leith-Ross pertaining to loans and railways in China and also America's ambitious program involving the advance of loans and the control of China's finance. Japan must devise counter-measures to cope with the activities not only of America and Britain but also Soviet Russia.

7—It is necessary for the army to establish a "concrete and substantial" China policy in place of Koki Hirota's 3-point policy now in abeyance. The Army must also consider means of applying the new policy to be adopted in place of Hirota's three points.

In addition to this report, openly admitting the Army's control of Japanese policy toward China, it was explained that Major-General Seiichi Kita, recently appointed Military Attache, who arrived in Shanghai on April 21, had been instructed to proceed at once to Nanking for the purpose of "sounding out" the attitude of officials of the National Government toward both Japan and the Soviet Union, following which Kita would call the conference of resident military and espionage officers referred to in the foregoing. Major-General Kita was quoted as declaring that while Nanking "maintained a skeptical attitude toward China, it also continued to depend upon Occidental Governments for assistance." Referring to the red situation, the Military Attache blamed Nanking for the spread of communism in the country. Referring to Suiyuan he said that Japan could not remain indifferent to the spread of red doctrines in that area due to its proximity to North China; hence Japan had no alternative than to enforce her policy for the maintenance of the "peace of the Orient and establishment of co-operation between Japan, China and Manchukuo."

Along with these reports presaging further Japanese military adventures in China the newspapers in the North continue to refer to Japan's plans for greatly increasing her military forces in Tientsin and along the railway from Chinwantao to Peiping. The *Ta Wan Pao* told (April 20) of the maneuvers of 6,000 Japanese troops in the vicinity of the Great Wall and reports were in circulation that Japan planned to send a large force to garrison Tungchow where the headquarters of the East Hopei regime is located. It was also stated that the Japanese were rushing work on new buildings to house their increased force at Tientsin and also on an airdrome now under construction. A report in a paper at Canton, the *Tse Shih Hang Shan Pao*, alleged that Japan definitely intended to send Japanese troops to Shansi province. The *Shun Pao* reported (April 19) that the Japanese force in Tientsin numbering 2,800 officers and men would shortly be increased to 8,000 officers and men. A report by *Central News* (April 19) alleged that the Japanese were building new barracks near Shihchiao near the Kupeikow pass in the Great Wall on the road leading to Tungchow and Peiping.

The *Shanghai Nippo*, popularly regarded as the personal organ of the Japanese Military Attache's office here, published an editorial on April 20 which called General Chiang Kai-shek a "skillful opportunist," and urged him to take advantage of every opportunity to improve Sino-Japanese relations. The paper declared that if General Chiang was seriously concerned over the future of China and the Orient and had any realization of Japan's "sole desire to establish peace in the Orient," that he would begin immediately to prepare for a settlement of pending Sino-Japanese problems. Referring further to General Chiang's alleged "opportunism," the *Nippo* charged that General Chiang had utilized the anti-red campaign to gain control first of Kiangsi and later of other provinces and now General Chiang was utilizing Sino-Japanese relations as a means of attracting the attention of the United States and European nations, including the Soviets. General Chiang was trying to check Nippon by pitting her against other nations. In conclusion the *Nippo* said that although the maintenance of lasting peace in the Orient depended upon Sino-Japanese relations, that China showed little realization of the actualities of the situation.

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Practically all of the Chinese newspapers have referred in recent days to a resumption of negotiations in North China between General Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council and various Japanese military officers, including Col. T. Nagami, Chief-of-Staff of the Japanese Garrison at Tientsin. But practically nothing has been published about the subjects under discussion. The *Shun Pao* reported on April 21 that the Japanese military authorities in the North were pressing for an early decision on the question of Sino-Japanese military cooperation against the Chinese reds. It was claimed that large numbers of so-called Japanese "resident officers," otherwise military espionage officers, stationed in Taiyuanfu, Suiyuan, Tsingtao, Tsinan, Kalgan and elsewhere in North China were now in Peiping conferring with Chinese military officers on the matter of "joint defense" against the Communist invasion of Hopei and Chahar. Of further interest, indicating the drift of affairs in the North, was a report by *Central News* stating that Peiping had created a so-called "reconstruction committee," which would have charge of water conservancy, electrical supplies, highway and railway construction. It was also reported that 55 Japanese industrialists had arrived in Tientsin to investigate conditions on behalf of the South Manchuria Railway.

The increasingly friendly relations of Yin Ju-keng's East Hopei Government and the puppet state of Manchukuo received further emphasis last week when Yin sent a delegation to Hsinking, capital of Manchukuo to thank the Japanese Kwantung army for the help the Japanese military had rendered in the creation of the East Hopei regime and the inauguration of friendly relations between East Hopei and Manchukuo. Yin's mission consisted of ten men headed by Chi Tsung-mu. While in Hsinking the East Hopei delegates called on General Uyeda, Commander-in-chief of the Kwantung Army; Chuchi Ohashi, Japanese director of the Foreign Affairs of Manchukuo, following which the members of the mission were "received" by Emperor Kangte. A *Domei* dispatch from Hsinking on April 16 quoted members of the East Hopei Mission as being "keenly envious" of the state of affairs prevailing in Manchukuo where the "Kingly Way and benevolent administration are being so successfully administered." They were also, according to the Japanese report, "deeply impressed by the visible prosperity of the New Empire and the prevailing calmness and order which were ascribed to the diligence of Emperor Kangte and the friendly cooperation of the Japanese Empire. On the following day, April 17, General Kenkichi Uyeda, Commander-in-Chief of the Kwantung Army presented Yin Ju-keng with a handsome Japanese sword and porcelain vase. The same day Chi Tsung-mo, chairman of the Yin mission, proposed that East Hopei and Manchukuo sign an anti-communist pact. The *Domei* message said that the Yin mission was anxious to devise a means of cooperation between East Hopei and the puppet state for the purpose of promoting mutual welfare and suppressing communist influence. On April 18 the Manchukuo Government issued a statement welcoming the suggestion for the conclusion of an anti-red pact between East Hopei and Manchukuo. It was stated that the formal negotiations for the conclusion of such a pact would be started immediately. A further report on the subject by *Reuters* stated that negotiations for the conclusion of a joint anti-red pact between the two administrations would be started when Manchukuo sent a return mission to Tungchow. Hsinking announced on April 21 that Kao Chung-li would be sent to Tungchow as the puppet state's delegate to the East Hopei regime.

Latest developments in the smuggling situation in North China were covered in a *Reuter* message from Tientsin on April 19 stating that the Hopei-Chahar Political Council had decided to permit "special trading facilities" in North China similar to those which now prevailed within the East Hopei regime controlled by Yin Ju-keng and the Kwantung army. The so-called special facilities allegedly granted by the Council provided for the landing of merchandise at Chikiu and Shaochiakowtze, south of Taku, and the transport of such merchandise by trucks to Tsangchow and Tientsin. Duties assessed on such merchandise would amount to only half those charged by the East Hopei regime. The landing and transport would be protected by soldiers. Finally it was claimed that boats containing Japanese merchandise from Dairen would be landed directly at Chickou and Shaochiakowtze and would be protectee against interference by the Chinese Government Custom House at Tientsin.

The *Sin Wan Pao* published a dispatch from Tokyo on April 22 which quoted an official of the Japanese Foreign Office on the smuggling situation in North China. The Japanese spokesman expressed the hope that China would reduce her import duties on Japanese goods since this would make smuggling unprofitable and thereby bring a stop to the practice. It also was hoped that China would establish strong inspection offices along the coast similar to those maintained by the Japanese along the Korean-Manchukuoan border.

San Francisco Newspaperman Says Watch Japan and Keep Powder Dry

When the British and American Governments withdrew from their activities in the Far East, the Japanese interpreted that 'let-up' as a sign of weakness on the part of both nations and went right ahead with their own plans," declared John Thompson, last newspaperman to interview the late Viscount Saito, former Premier of Japan, before his assassination in February, in a lectuer in San Francisco March 28.

Mr. Thompson, Editor of a San Francisco newspaper, having just returned from an extensive tour of the Orient, was speaking on "Back of the Scenes in the Japanese Revolt" before the San Francisco Commonwealth Club.

He endeavored to dispell the common American belief that all was now serene in Japan. "There will be more revolts," he said, "because the methods used by the Army will be brought into use by those opposed to them."

The opposing factions, he averred, will employ the machine-gun methods of the Army, with the result that the Army will be driven to very desperate measures, which may culminate in nothing less than a foreign war. He believes that there is every prospect of a collision between Japan and Russia, judging by the continued penetration of China by the Japanese Army.

"The whole Japanese economic situation is basep on the war industry," continued Mr. Thompson, "and if the Army and Navy should discover that they could not supply contracts for this war industry, there would be unemployment at home. Munitions are piling up, and sooner or later they will have to shoot these munitions."

Mr. Thompson declared that the Japanese Army is pressing for a strong foreign policy.

Mr. Thompson concluded by referring to the position of the United States in view of the present situation among the Pacific countries.

"We cannot be insensible to any undue accretion of power as we are on the same ocean. Anything that would make the Japanese unduly strong would create a difficult problem for us. With an unduly strong nation in the hands of a military clique, it is to our interests to cooperate with the moderates of that country and to keep our own powder dry."

Chinese and Japanese Match Interests Organize Joint Sales Office

The *Sin Wen Pao* says that, for the development of their business, the Chinese and Japanese match interests have agreed to organize a joint sales office. The office will have a capital of $5,000,000, of which the Chinese match factories will subscribe $3,700,000 and the Japanese match factories $1,200,000. It is expected that this joint sales office will eventually deal a heavy blow to the practice of smuggling matches into South China by large numbers of undesirable elements.

American Diplomacy and American Marines as an Aid to U.S. Diplomacy in China

THE Washington correspondent of the *New Republic* stated recently that it was the present intention of the Administration to withdraw all American forces from China at the earliest possible moment. He claimed that about four months ago when the Japanese Kwantung army first began its pressure on North China, representatives of the State, Army and Navy Departments met in Washington to consider the withdrawal of American troops now stationed at Peiping and Tientsin and American patrol boats on the Yangtsze River. It was agreed, stated the report, "that because of our military helplessness in the Far East, a clash with the Japanese forces was to be avoided at all cost." But someone raised the objection that if the American troops and patrol boats were recalled just at that moment when the Japanese were making their advance into North China, other countries (including China?) might conclude that the United States had reached a secret understanding with Japan. It was claimed that this reason alone was responsible for no action being taken—which report is at complete variance with the reason given in this part of the world that a withdrawal of American forces from North China at that particular time would have looked entirely too much like a scuttle!

That there was uncertainty in Washington as to what should be done about the American troops was obvious from the news reports, the *United Press* and *Reuters* reporting one day that the soldiers and marines were to be removed and the next day denying the previous day's reports. But despite the excitement created in Peiping and Tientsin by the rumors of withdrawal, the Marine detachment is still in Peiping and the Fifteenth Infantry Regiment is still in Tientsin. Also the American gunboats are still on the Yangtsze and the Fourth Marines are still stationed in the Shanghai International Settlement. Furthermore, the Far Eastern division of the U.S. Pacific Fleet is still headquartered at Manila and is now visiting South and Central China ports on its way to Tsingtao and Chefoo for summer training and gunnery practice, as in previous years.

But the uncertainty which prevailed at Washington with regard to the continuance of American armed forces in China apparently was only a phase of the greater uncertainty and confusion which still exists with regard to the larger matter of American policy in the Far East. It is natural, of course, that the present administration is desirous of keeping the lid clamped down on any contentious discussion of America's position in the Far East which might arouse embarrassing questions in the Presidential campaign. But, regardless of this situation, which always prevails in campaign years, it is not so easy to understand such asinine statements as that of Frederick Libby, Secretary of the so-called National Council for the Prevention of War, who was quoted by the *United Press* in a dispatch from Kansas City on April 8 to the effect that it would cost $40,000,000,000 in American money to protect our $130,000,000. investment in China. Mr. Libby maintained that in spite of our heavy expenditures for military purposes, estimated at more than a billion dollars for 1937, it would be impossible to protect our investments in China if war broke out. In the same issue of the paper containing this report, there was a brief dispatch from London stating that Lloyd's were quoting 5% premiums against the possibility of the United States becoming involved in war with Japan within six months.

It is not the writer's intention to become involved in the more or less pointless discussion now proceeding with regard to future policies of the United States and the other Powers in the light of Japan's denunciation of the Washington and London naval treaties. It is more or less obvious that a naval race must occur in the event of treaty denunciation by one or more Powers; or, to put it another way, if the Powers cannot abide by treaties which their own delegates signed, then they must fall back on military and naval strength. That is the present position in the Pacific.

The issue of naval competition, as well as the problem of competitive fortifications in the western Pacific have become acute because of the violation by Japan, beginning with the Manchurian intervention in the fall of 1931, of the various Washington treaties and commitments upon which naval limitation was based. Unless the world, or at least that part of the world which is concerned with the Pacific, is willing to go back to the protection afforded by treaties and the normal civilized methods of adjusting international differences as provided in the treaties, then there is no other way than resort to competitive naval construction and the strengthening of fortifications, and, ultimately, war!

But even greater confusion apparently exists with regard to the present Administration's dilemma in connection with the neutrality issue. Dr. Frederick L. Schuman, Professor of International Relations at the University of Chicago, stated in the course of an article published in "*The Chinese Student*" that the paradoxes and inconsistencies which so often characterize the development of the foreign policy of the United States have seldom been so striking as they are at the present time. The neutrality legislation then pending in Congress, as well as that already on the statute books, contemplated a line of policy

wholly incompatible with the established methods and objects of American diplomacy in the Orient. This policy, according to Dr. Schuman, as carried out lately, may have grave consequences for America and for China. It, therefore, deserves careful attention, not only by Americans, but by all forward-looking Chinese. According to Dr. Schuman, the general course of American policy in the Far East, aside from occasional deviations, has been fairly consistent during the past 35 years. The late John Hay, concerned with the adverse effects upon American trade of the partition of the Chinese Empire into spheres of influence, championed the Open Door in 1899 and 1900 and persuaded the Powers to subscribe to this principle. Secretary Hay sought to preserve the independence, territorial integrity and administrative entity of China and to maintain equality of economic opportunity for the nationals of all countries in China. This policy was reiterated on several subsequent occasions and also restated and amplified in the Nine Power Pact of 1922. When in 1931 Japan seized Manchuria, President Hoover and Secretary Stimson followed the traditional policy by invoking the Kellogg Pact, by cooperating closely wiith the League of Nations and by promulgating the Stimson doctrine of January 7, 1932. This doctrine asserted that the American Government "cannot admit the legality of any situation de facto nor does it intend to recognize any treaty or agreement entered into by the governments of China and Japan which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence and territorial and administrative integrity of the Republic of China, or to the international policy relative to China commonly known as the Open Door policy; and that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928."

Then, largely as a result of America's leadership, the League of Nations Assembly on March 11, 1932, declared: "It is incumbent on the members of the League of Nations not to recognize any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris."

Despite this very obvious re-enunciation of American policy so recently as 1931 and 1932, the proposed neutrality policy of the United States, already enacted, or still under discussion, is wholly at variance with the Far Eastern policy previously enunciated. The neutrality bills, already passed or pending, involve a virtual abandonment of the Kellogg Pact and the Stimson doctrine. According to Dr. Schuman, this is a consequent of the circumstances that American embargoes against belligerents are to be applied impartially against all states engaged in hostilities with no distinction against aggressors, victims of aggression and those seeking to restrain aggression by collective sanctions. This was implied in the neutrality act of August 31, 1935, and was expressly stated in Section 5 of the Pittman-Reynolds bill sponsored by the administration and introduced into Congress on January 3, 1936; "Any embargo, prohibition or restriction that may be imposed by or under the provisions of Sections 2, 3 and 4 of this act shall apply equally to all belligerents unless Congress with the approval of the President shall declare otherwise." It is obvious that if Japan and Russia are shortly to be involved in a war which would directly affect China, this would bring up many serious questions with regard to American policy in the Far East. For this reason it is interesting to read the remainder of Dr. Schuman's analysis of the complications which exist in traditional American policy in the Far East in the light of the neutrality legislation:

> "While Secretary Hull has continued to pay lip service to the Kellogg Pact, he did not invoke it against Italian aggression, nor has there been any formal cooperation with the League of Nations or consultation with the other signatories of the Pact. In October, American arms exports were forbidden to Italy and Ethiopia alike, though Italy had violated the Pact and Ethiopia had not. Should the pending bill be passed, other American exports may be barred to both States. And should Italy attack the League Powers applying sanctions, the American Government will be required by this policy to embargo certain American exports to the League Powers which will not be violating the Pact or the Covenant but which will then be engaged in hostilities because they have sought to enforce the Pact and the Covenant. Neither the American Government nor the League of Nations has as yet formally gone on record as refusing to recognize Italian conquests at Ethiopia's expense. Such a stand by Washington would be meaningless if a neutrality policy is to be pursued which makes no distinction between States which observe treaties and those which violate them.
>
> "The possible consequences of such a policy for China are only too painfully obvious. In the first place, the condemnation of Japan for violating the Kellogg Pact is deprived of any possible moral or legal effect if Italy, in similar circumstances, is not similary condemned. In the second place, American non-recognition of the fruits of Japanese aggression against China is folly if the United States is not to apply a comparable policy to the fruits of Italian appression against Ethiopia. In the third place, the new American policy goes far toward making the world safe for aggression because it offers to aggressors an opportunity to secure American economic assistance against their victims. Should the proposals mentioned become law, Japan has only to attack China once more or to declare war on China in order to deprive China of all American arms and of American basic raw materials useful in war above a 'normal quota.' Japan would be similarly embargoed, but since China is far more dependent upon such American supplies than Japan the result would be wholly favorable to Japanese designs. If, moreover, the League Powers should apply sanctions against Japan in such a situation, Japan has only to attack them to deprive them also of American arms and other supplies. Since the new American policy further contemplates the withholding of American diplomatic and military protection from American neutral trade with belligerents, Japan might blockade China and destroy all American trade with China without protest from Washington. From this it would be but a step to extinguishing China's indepen-

dence entirely and ousting all American business from the China market. This too would call forth no objection from Washington if the new neutrality policy were followed literally. The United States, to be sure, might protest in the name of the Open Door and the Nine Power Treaty, but it could not protest either on the basis of traditional American championship of neutral rights nor on the basis of the Kellogg Pact and the Stimson Doctrine, since all of these are to be abandoned."

In view of the reported intention of the Administration to withdraw all American armed forces from China and China waters and the apparent intention of Washington to enforce neutrality legislation which would involve the abandonment of China to Japanese aggression, it is fortunate at this juncture that we have available probably the most complete historical outline of the intimate connection which has always existed between American diplomacy and the use of American Marines as an aid to diplomacy in the Far East. The article was written by Captain Evan F. Carlson of the Marine Corps, who has had extensive service in China, both at Shanghai and Peiping. Capt. Carlson is now Commander of the President's personal Marine guard at Warm Springs, Ga. Writing unofficially in the February number of the *Marine Corps Gazette*, Capt. Carlson traced the historical connection between American diplomacy and the use of Marines as an aid to diplomacy practically since Americans first came into contact with China.

In addition to the Marines stationed in the International Settlement in Shanghai and a guard of 500 men at the Embassy at Peiping, American marines are also stationed at the Cavite Navy Yard in the Philippine Islands, on the island of Guam, at the naval station at Pearl Harbor in Hawaii and the submarine base at Coco Solo in Panama. There is also a squadron of marine aviators based at St. Thomas in the Virgin Islands, while at home marines guard all navy yards and units of the fleet marine force are stationed at the bases at Quantico, Va., and San Diego, Calif. There also are marines attached to all gunboats, cruisers and battleships, where they serve the ships along with the sailors in time of war, but their specialty is landing operations and they serve as the spear-head of the fleet in the initiation of operatious ashore. There has long been a myth that marines are used for intervention in the protection of American citizens in foreign countries in place of troops because the use of troops would constitute an act of war. This is pure fiction and has grown up doubtless because of the habitual use of marines for this purpose, a practice which has developed purely out of expediency.

At the present time the U.S. Marine Corps consists of a thousand officers and 16,000 enlisted men. The detachments on all gunboats, heavy cruisers and battle ships range from 50 to 100.

Capt. Carlson's article also dealt extensively with the early history of China and America's connection with the trade and diplomacy of this country almost from the beginning of the United States as a nation. In 1784, only a short time after the coming into effect of the independence of the American colonies early New Yorkers and Bostonians dispatched trading vessels to Canton. It was out of these contacts that the treaty relations between China and the United States developed.

While America began trading at Canton in 1784, definite treaty relations, however, were not established until Caleb Cushing negotiated the first treaty in 1844. This treaty because of its fullness of detail and its clear statement of rights became the leading authority for the settlement of disputes between Chinese and foreigners up to the treaty revision of 1858 and 1860. The treaty which was signed at Wanghia by Cushing on July 3, 1844, contained the essential principles of the system which has come in later years to be known as extra-territoriality. As stated in the original treaty, it was simply declared that each side should be responsible for the punishment of its own criminals.

It was during the Taiping Rebellion early in 1854 that American Marines were first used in China. The Taipings had seized Nanking and it happened at this time that Commander Perry, who had been commissioned by the President of the United States to negotiate a treaty of amity and commerce with Japan, was visiting at Shanghai with his squadron enroute to the Loochoo Islands. Fearing for the safety of American citizens, he left the sloop "Plymouth" at Shanghai on his departure with orders to join him when local conditions improved. On April 5 of that year the foreign consuls decided that a camp of imperialist troops which had become a serious annoyance to foreigners on the edge of the Settlement must be moved. An ultimatum to the local Chinese authorities had no effect, so by order of the American Consul, Capt. Kelly of the "Plymouth" landed a detachment of 60 marines and sailors which joined a British detachment from H.M.S. "Encounter." The combined forces compelled the imperialist troops to withdraw from the borders of the Settlement, the incident since being known as the "Battle of Muddy Flat."

As piracy was rife along the coast at that time, marines were frequently used in expeditions against their hide-outs. In 1855 Lt. Jones with marines and sailors from the sloop "Powhattan" operated against pirates in Tyho Bay near Hongkong. In 1856 unprovoked firing by a Canton fort at Whampo on a boat bearing the American flag and carrying Commander Foote from the frigate "San Jacinto" to Canton caused the Commander to attack the forts. Captain Sims with 150 marines and sailors, two surgeons and six naval officers constituted a landing party which went ashore and captured the fort after the sloop "Plymouth" had executed a preliminary bombardment. Newchwang in Manchuria was the next

place where marines were used to protect American citizens. In 1866 the American Consul, Francis P. Knight, was assaulted by a group calling themselves the "Swordwracks." The sloop "Wachusett," Commander Townsend in charge, was dispatched to the scene. On June 20, Lt. Phillips was sent ashore in command of 100 marines and sailors. They captured the bandit leader and guarded him throughout his trial. On June 7, punishment having been awarded, the Consul was transported to Chefoo. The next record of the use of marines was at Tientsin in May, 1895, when Rear Admiral Charles C. Carpenter, commanding the Asiatic Squadron at the time, placed his marine guard at the disposal of Col. Charles Denby, American Minister at Peiping. The U.S. Flagship "Baltimore" dspatched a marine guard of 50 men under Capt. George F. Elliot to Tientsin by steamer. However, this particular guard was never landed, but was held on board a small gunboat, the "Monocacy," when it was finally returned to the Flagship "Baltimore."

The first marine guard at the American Legation in Peiping was sent to the Chinese capital in 1898 and was commanded by First Lt. Robert McM. Dutton. The action was taken because of unrest caused by the so-called reform movement of 1898 which developed later into the Boxer Rebellion of 1899 and 1900. The marines were requested by Edwin H. Conger, American Minister, and the duty of supplying them fell to Admiral Dewey, then in command of the Asiatic Squadron. This detachment consisted of 1,800 men supplied from the cruisers "Baltimore," "Boston" and "Raleigh." They remained in Peiping until May 15, 1899.

As a result of the complications of this period there was developed the diplomatic principle known as the Open Door which was covered in a note sent to all the Powers by John Hay, Secretary of State, on Sept. 6 1899. It was also a direct outgrowth of the Boxer attack on Christian converts at the town of Fengtai near Peiping on May 28, 1900, which lead to the next landing of American marines and blue jackets at Taku outside of Tientsin. This contingent consisted of Capt. John T. Myers and 25 men from the U.S.S. "Oregon," Capt. N. H. Hall, Chief Machinist Peterson, Assistant Surgeon Lippitt and 23 marines from the U.S.S. "Newark." They marched to Peiping in company with other troops belonging to Russia, Japan, Italy, Britain and France, and joined later by Germans and Austrians. In the defense of Peiping, the Americans lost 7 enlisted men killed, two officers and 8 men wounded.

The protocol of 1901, signed by China and the Powers following the suppression of the Boxer Rebellion, granted each Power the right to retain a permanent guard in the section (now known as the Legation Quarter) which was established for the foreign ministers. Under the provisions of this protocol dealing with the protection of foreign legations, the Powers decided to establish troops along the railway between Tientsin and Chinwangtao in order to keep the line open during the unsettled period following the downfall of the monarchy. Early in 1912 the United States dispatched the Fifteenth Infantry from the Philippine Islands to Tientsin to provide America's quota for the purpose of railway protection. This regiment consisting of about 600-800 officers and men remains in Tientsin today.

In connection with this stormy period of Chinese history, Capt. Carlson made the following comment: "The history of China from the establishment of the Republic in 1911 to the uprising of the country under the banner of the Kuomintang Party in 1928 is a history of weak, ineffectual government, of battling provincial warlords, of scheming foreign financiers seeking to seize and secure a strangle-hold on profitable Chinese concessions, of ever-increasing evidence of Japan's determination to dominate China, and of the trumpeting voice of Young China, foreign educated, or educated by foreign methods, sounding the note of a new spirit of nationalism and now demanding a voice in national affairs."

During and following the downfall of the monarchy and the creation of a Republic at Nanking by Dr. Sun Yat-sen, American marines were frequently used in connection with American diplomatic activities. Early in 1911 the gunboats "Albany" and "Rainbow," stationed at Shanghai, sent guards of 12 men each to each of the two cable stations to prevent interference with international communications. These guards were withdraw on Nov. 14. In 1931, the U.S.S. "Albany," then commanded by Commander Mark L. Bristol, and the "Rainbow," commanded by Lt. Commander Wurtsbaugh, were stationed at Shanghai most of the year and on July 7 landed a marine force, which was, however, withdrawn the following day. On July 28, they were again landed and remained until August 17.

A new situation was created in 1922 when representatives of China and the Powers met in Washington and drafted a new treaty designed for the purpose of stabilizing conditions in the Far East, safeguarding the interests of China and promoting intercourse between the Chinese and the Powers on a basis of equality of opportunity. This was the famous Nine Power Treaty signed by all the Powers, including Japan, but first to be violated by Japan when that country took unilateral action in Manchuria late in 1931.

In 1927 in connection with the Kuomintang advance to the vicinity of Shanghai, the Powers decided again to send forces for protecting their nationals. Britain sent an army division in command of Major Gen. John Duncan, while the United States sent the Fourth Regiment of Marines under Col. Charles Hill. The International

Settlement at Shanghai thus became an armed camp and has since remained such. Whereas the practice previously had been followed by all the Powers of withdrawing their armed forces from Shanghai following the subsidence of the disturbances which had occasioned their presence ashore, this situation was changed materially three years ago when the Japanese constructed permanent barracks, military hospitals and fortifications on the edge of the Settlement in the Chapei area where the Japanese had intervened early in 1932 and precipitated the war with the Chinese 19th Route Army.

Almost simultaneously with the disturbances at Shanghai, (1927) there occurred even worse trouble at Nanking when the Nationalist forces occupied that city. Blame for the looting, rioting and attacks on foreign homes and consulates was shifted back and forth between the Hankow and Nanking Governments, but the fact remained that assaults were made, resulting in the death of many foreigners, among them Dr. Williams, a well-known American educator who was President of Nanking University. The complications finally resulted in the American and British gunboats laying down a barrage about Socony Hill on the edge of the city where the foreigners had congregated for protection. A small force of American marines assisted in the evacuation of foreigners at that time (March 24). Finally, before the situation in Shanghai had become stabilized, the United States sent two more regiments of marine infantry, a battalion of marine artillery and an air squadron to Shanghai. Later part of this force was sent to Tientsin and remained there until January, 1929. They were commanded by Brig. Gen. Smedley D. Butler, who later following his retirement became famous as an advocate of non-intervention. The American naval forces in China waters at that time were commanded by Admiral Mark L. Bristol now retired. But the marine guard of 500 men stationed at Peiping and the brigade of 3,000 marines at Tientsin were never called upon to quell disturbances or prevent any act of violence throughout the period and in January, 1929, the brigade was returned to the United States.

The Japanese intervention in Manchuria and the Sino-Japanese "war" at Shanghai late in 1931 and early in 1932 were again made the reason for strengthening the American and other foreign detachments at Shanghai. During the course of the Sino-Japanese hostilities, the U.S. Marines were constantly on duty assuring protection of life and property to Americans and other foreigners within the section of the Settlement assigned to them. The defense sector of the marines was opposite the right flank of the Chinese lines and on several occasions it was necessary for the marines to take action against armed Japanese in civilian clothes who apparently were trying to create a situation justifying the Japanese use of the Settlement as a base for their operations against the Chinese. The situation became so serious late in February, 1932, that the U.S. Government dispatched the Thirty-first Infantry to Shanghai from Manila. They remained at Shanghai until July, 1932, when they returned to their original base.

Captain Carlson concluded his highly informative article with the following: "Unfortunately for China, once her barriers were destroyed, foreign nations took advantage of their dominant position to attempt a virtual partitioning of the country by carrying out special spheres of influence for themselves." It was Chinese resentment against this situation which was manifested in the Boxer Rebellion of 1899 and 1900 which in turn paved the way for the revolution of 1912. "Out of the years of civil war there has arisen a new China, but circumstances again bring her face to face at this crucial time with a new Japan intent on making China a vassal state." Throughout this period of transition, American diplomacy in China has been aided when a strong hand was regarded as necessary by U.S. naval forces, including the marines. "Invariably the use of marines has been contingent on the judgment of the diplomatic official concerned. This policy assumed harmony of action between these two branches of the American government service. Even the best diplomacy has to be enforced by military power from time to time. The successful use of this power is secured when it is employed by officers who work in close sympathy with competent diplomats."

Shanghai Fish Mart Company Holds Its First Meeting

The first shareholders' meeting of the Shanghai Fish Mart Ltd., established with joint Government and private capital, was held in Shanghai April 9. Tu Yueh-sen, President of the Chung Wei Bank, presided. The capital of the Mart is fixed at $1,200,000, which will be shared equally by the Government and private shareholders. $600,000 has already been raised by the Government, $100,000 by the fish merchants, and $200,000 by other private shareholders. The balance of $300,000 will be temporarily advanced by the Government, pending the sale of the remaining private shares. Wu Ting-chang, Minister of Industry, in a short address said that construction work on the Shanghai Fish Mart was started two years ago under the direction of his predecessor, Chen Kung-po, the building having just been completed.

Cameron Forbes Urges Repeal of Japanese Exclusion Measure

Repeal of the Japanese Exclusion Act by the United States was urged in New York, April 16 by W. Cameron Forbes, chairman of the American Economic Mission which visited the Far East last year and a former Ambassador to Japan. The Act should be rescinded by America in an effort to rectify the unbalanced state of trade between Japan and the United States, Mr. Forbes declared in an address to the Japan Gohan Club, an organization of Americans formerly resident in Japan. If the Asiatic "Monroe Doctrine" is similar to that of the United States, he declared, it should harbor neither territorial ambition nor the hindrance of equality in trade. "The Pacific area," Mr. Forbes concluded, "is too big for one country to monopolize, and any country attempting to do so would be bankrupt before completing its fence."

What Should Nanking and Canton Do Pending Complete Understanding?

BY C. Y. HSIEH

"IF winter comes, can spring be far behind?"

This is no poem but prosaic consolation to the nation which learned with dismay that Hu Han-min, Chairman of the Central Executive Committee, to whom it had extended last winter a hearty invitation to proceed to Nanking, but now learns with sorrow that Mr. Hu can not come north after all. The reason given was that the rigor of winter had unavoidably held up Mr. Hu's trip till spring. With this explanation the public had to be satisfied, being ever so trustful of the essential good faith of its political leaders, and therefore never stopping for one moment to ask why one who had just returned from a sojourn in Switzerland and Germany could not stand the weather of Nanking. It was not so much its credulity as its persistency in hoping for the best, which then as so often before reconciled it to compensatory thoughts.

But the nation was destined to be again disappointed. For spring has come without even a word from Mr. Hu that he would honor his promise by proceeding to the Capital. While his movements are exclusively a matter of personal freedom, his failure to rejoin his colleagues in the Central Government has caused a widespread regret that things had not taken a more hopeful turn. It is a pity that the movement for national unity so enthusiastically espoused by the interested parties right after the Manchurian incident, should still fall short of its objective, whereas circumstances a hundred times less grave than those which have confronted China during these five fateful years would have sufficed to unite any other people in no time.

To the writer, however, the whereabouts of Mr. Hu is by no means the decisive factor in the likelihood or otherwise of national unity. To say this is not to deny his unquestioned influence one way or the other. On the other hand, it is fair to ask whether he can carry the whole Southwest with him in case he decides to go to Nanking.

The real difficulty of the situation is that the opposition in Canton is preponderantly military, and only in a minor degree political. To that fact owes much of the elusive nature of the differences between Nanking and Canton. Years ago it had been Canton's favorite practice to assail the tendency toward dictatorship on the part of General Chiang Kai-shek. As time went on, the silent but none the less profound changes that had come over the career of the Generalissimo and the crisis facing the country have robbed that charge of much of its force with the result that it apparently died down.

Toward the end of last year the Canton opposition shifted its main emphasis to the conduct of foreign relations, especially those with Japan. For a time it seemed as if the nation's foreign policy were the only issue between it and Nanking. Such at least was the impression created by public statements of such leaders of the Southwest as Messrs. Hu and Chou Lu who presented strong views regarding Sino-Japanese relations. When General Matsui, member of the Japanese Supreme War Council, called on Mr. Hu in his recent Pan-Asiatic mission to the Southwest, the latter took exception to the Pan-Asiatic Doctrine in terms which were meant as much for Nanking as for the Japanese general. But as quickly as it had come to the forefront, the foreign policy issue receded to the background. Are we to understand that it was solved somehow or other to the satisfaction of both parties? Or was it simply shelved to be raised anew at a time more opportune to Canton and correspondingly more embarrassing to Nanking?

Presently another issue has loomed large in the political discussions between Nanking and Canton. On the occasion of Dr. Wang Chung-hui's latest unity mission to Nanking, frequent exchanges of views on China's draft constitution have been going on between him and high party and government officials. There is no doubt that with Dr. Wang's legal erudition and experience and his professed impartiality brought to bear on the discussions, much can be done to bring the views of both sides closer. Furthermore, it was mainly over the constitutional issue, it may be recalled, that General Chiang and Mr. Hu parted hands. So mutual accommodations on this issue should go a long way towards breaking the estrangement between the two leaders. But the question is, now as on several occasions in the past, the sincerity of purpose of Canton, i.e., whether the constitutional issue is not just another weapon to harass Nanking.

While not despairing of an eventual rapprochement between Nanking and Canton, we nevertheless do not regard such an eventuality as having a bright prospect in the near future. It may be that the genius of the Chinese people, as Dr. W. E. Hocking suggested, is better fitted to building from the bottom upwards than to organizing from the top downwards. In that case unity, can neither be forced nor hastened. The results of forced or hastened unity would under any circumstance be highly dubious, to say the least. In this connection it would not be entirely irrelevant to conjecture if Nanking could have done so much in the Yangtze Valley had its effective control not been limited by the force of circumstances to the central provinces. Here may be found a hint as to what Nanking and Canton should do pending complete understanding which, in the nature of the case, time alone can achieve.

In the first place, it should be the aim of both Nanking and Canton to bring about an increasingly efficient and honest government in the territories over which they exercise full control. In all fairness to both it must be said that Canton has lagged far behind Nanking in this regard. The prevalence of political corruption, nepotism, grafts and squeezes weighed heavily on the administrative machinery of Canton where the will to political reforms, such as has recently motivated Nanking with action and hope, is totally lacking. Although much has also been heard of economic reconstruction in the Southwest, close scrutiny will reveal the underlying motive to be vain competition with Nanking with the consequent wasteful duplication of enterprises and lack of careful planning and sane policy. When to these is added the crushing burden of taxation in Kwangtung Province especially, it is no injustice to say that a government with such record makes a poor bid for popular sympathy to its cause, hence for the status of an opposition regime.

Sound and efficient government within must be supplemented, secondly, by avoidance of foreign complications. It is certain that those of China's enemies who are jealous of a united Chinese nation would not wait for time to work out its natural unifying influence. Signs of this have begun to appear in the Southwest, especially in Kwangsi Province where Japanese capital has succeeded in obtaining a number of mining concessions. In Kwangtung, too, inefficient government has created some delicate issues of foreign relations such as smuggling, which has assumed alarming proportions, and the organization of renegade bodies by Japanese ronin and with Japanese gold. The Southwest has rightly opposed Nanking's seemingly endless concessions to Japan. It is now up to its leaders to check the growing Japanese influence nearer at home.

German Missionary Is Thanked by British Embassy for Help in Bosshardt Release

The British Embassy in Peiping April 15 expressed its appreciation for the untiring efforts of Hermann Becker, the German missionary stationed in Hunan, who negotiated with the Reds under Ho Lung for the release of Messrs. A. Hayman and R. A. Bosshardt of the China Inland Mission, who were captured on Oct. 2, 1934 Mr. Becker was successful in obtaining the release of Mr. Hayman, a New Zealander, who, after 413 days in the hands of his captors, was liberated on Nov. 18, last year. The German missionary then resumed negotiations with the Communists for the release of Mr. Bosshardt. For months he followed the peregrinations of the Reds through Hunan and Kweichow provinces, sending in Chinese messengers whenever the Communists halted long enough for that purpose.

Negotiations, however, broke down, and Mr. Becker was still endeavoring to contact the captors of Mr. Bosshardt when he learned that the Anglo-Swiss missionary had been released. Mr. Bosshardt, to the complete surprise of everyone, was released unconditionally by the Reds and walked into Yunnanfu last week.

American and British Missionaries Withdrawn from Region West of Mukden

Foreign reports alleging that missionaries in Hsinmin, 37 miles west of Mukden, have decided to withdraw from the district as the result of an outbreak of banditry in the region were described by a spokesman of the Manchukuo Government in Hsinking April 21 as "foolish propaganda." "Such reports," he said, "are motivated by foreign jealousy of the progress in the reconstruction of the new Empire, and its success in restoring peace and order.

Were the reports of bandit activities near Hsinmin correct, the spokesman argued, service along the Mukden-Peiping Railway would have been suspended. "The fact that service is being maintained without interruptions," he added, "is a proof that the foreign reports of bandit attacks are absolutely groundless."

Whatever the reason, however, the British and American consular authorities in Mukden decided to evacuate their nationals from the threatened region following a discussion between the U.S. Consul-General and the commandant of the Japanese gendarmerie in Mukden. The latter advised that all missionaries be withdrawn as there were not sufficient Japanese troops available to guarantee constant protection.

Britain Builds Four Torpedo Boats for China—Fastest in the World

Four torpedo motor-boats, the fastest of their kind in the world, are being completed by Messrs. Thornycroft & Co., for the Chinese Government.

The first one was tested on the Thames April 16 and exceeded 50 miles an hour, though carrying a heavier load than ordinarily required.

Nanking Accepts Consul Kawagoe as Ambassador; Kita Says Three-Point Program Firmly Established

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Arita Considers Positive Diplomatic Action in Dealing China.**
2. **Kita Declares Hirota's Three-Point Program to Be Enforced.**
3. **Peiping Chosen as Venue of Coming Sino-Japanese Negotiations.**
4. **65 Japanese Warships With 30,000 Sailors Visit Tsingtao.**
5. **Autonomous Movement in Fukien Said Assuming Serious Proportions.**
6. **General Chiang Kai-shek Confers With Szechuan Leaders at Chengtu.**
7. **Anti-Japanese Government Formed by Communists in Yunnan.**
8. **Return of Panchen Lama to Tibet Impossible, Says Japanese Paper.**
9. **Powers of President Main Point in Discussions on Constitution.**
10. **Hu Han-min Assails Sino-Japanese Joint Anti-Red Pact in North.**

The Executive Yuan on April 21 approved the appointment of Shigeru Kawagoe, the Japanese Consul-General at Tientsin, as Ambassador to China. Mr. Kawagoe succeeds H. Arita, who was recalled to Tokyo to assume the post of Minister for Foreign Affairs.

The Nanking Government's consent to the appointment of Shigeru Kawagoe as Japanese Ambassador to China was asked April 16 by Yakichiro Suma, Consul-General at Nanking, in an interview with Gen. Chang Chun, Foreign Minister, according to *Domei*. The report quoted a high official of the Waichiaopu as saying: "China is not in a position to object to Mr. Kawagoe's appointment." Mr. Kawagoe became the leading candidate for the post as soon as Mamoru Shigemitsu, former Vice-Minister for Foreign Affairs and Minister to China, indicated his desire to withdraw from active service. *Domei* reported that both the Army and the Japanese residents in Shanghai were opposed to Mr. Shigemitsu's appointment. Mr. Kawagoe was born in Kyushu, 55 years ago, spending the last eleven years of his diplomatic service in Manchuria and China. He was graduated from the Tokyo Imperial University in 1908, beginning his diplomatic carreer in Hankow two years later. His next posts were in Shasi and in Switzerland, as a secretary of the Legation. In 1921 he was appointed chief of the Third Section of the Gaimusho's East Asian Affairs Bureau, three years later being transferred to Berlin as second secretary of the Embassy. In 1925 he began his eleven years of uninterrupted service in East Asia, with the appointment as consul-general in Kirin. Four years later he was transferred in the same capacity to Tsingtao. In 1932, a year after the Mukden Incident, he was appointed councillor of the Embassy in Hsinking, followed a year later by appointment as consul-general in Canton, and in 1934 as consul-general in Tientsin.

Interviewed by the foreign press at Tientsin April 17, Mr. Kawagoe declared: "No matter who is appointed Japanese Ambassador to China, the Japanese Embassy should be moved to Nanking from Shanghai. Special attention will be paid to the North China problems, but the development of economic conditions in the area should be dictated by the mutual interests of Japan and China. It is wrong if the result of the economic development means the oppression of the Chinese. This opinion of mine will not be changed, no matter where I shall work, in Tokyo or in Nanking."

An indication that the Japanese government intends in future to deal direct with various local governments in China is seen by the independent *Hsin Chin Jih Pao* in Nanking in the appointment of Mr. Kawagoe as Ambassador to this country. The Japanese Army, the journal says, opposed the appointment of Mr. Shigemitsu as Ambassador because he favored Anglo-Japanese co-operation in China. Mr. Kawagoe it continues, has dealt with the East Hopei "autonomous" government and the Hopei-Chahar Political Council and is, therefore, considered an expert in the so-called policy dealing with local governments "instead of treating China as a unity."

ARITA CONSIDERS POSITIVE DIPLOMATIC ACTION IN DEALING WITH CHINA

Japan's diplomatic policies towards China were discussed at length in Tokyo April 16 as Hachiro Arita, Foreign Minister, continued his conversations with key officials of the Gaimusho, reported *Domei*. The principal question brought out during the gathering was whether Japan should launch into a positive course of diplomatic action in an effort to seek a solution of various issues pending between the Tokyo and the Nanking governments or whether she should bide her time pending a turn to the better in the relations between the two peoples. Mr. Arita was represented as feeling that China is not sincere in her professions of the desire to adjust Sino-Japanese relations. He feels that China is looking forward increased tension between Soviet Russia and Japan and she hopes to be able to utilize that eventuality to her advantage.

"Earnest hope" for the establishment of "normal" relations between Japan, "Manchukuo" and China will be voiced by Hachiro Arita, Foreign Minister, when he reviews the nation's diplomatic policies before the 69th extraordinary session of the Diet early next month, *Domei* reported April 19. Mr. Arita, *Domei* learned, will emphasize that the Three-Point Program of Premier Koki Hirota, his predecessor at the Gaimusho, would be continued without modifications. The new Foreign Minister is also expected to emphasize Japan's intention to cooperate with "Manchukuo" and China in eradicating the communist movement in the Orient. Continuation of efforts to persuade the Soviet Government to withdraw its "excessive" military establishments on the border with Manchukuo is also expected to be pledged by Mr. Arita.

Continuing the conference begun April 17 with Premier Koki Hirota on the future conduct of Japan's foreign policy, Hachiro Arita, Foreign Minister, again was closeted the following day with the Prime Minister. At these meetings, *Domei* learned from an authoritative source, Mr. Arita has laid before the Premier the conclusions he has reached after listening to reports made by various bureau chiefs of his ministry at a series of conferences earlier last week and is seeking Mr. Hirota's approval of the measures he is contemplating.

These discussions are attracting much attention in view of the announcement by Premier Hirota, at the time of the organization of his Cabinet, a month ago, that Japan would pursue "an independent and positive" foreign policy. Before enforcement, however, the new policies of Mr. Arita, especially that towards China will be discussed at a joint conference of representatives of the Ministries of Foreign Affairs, War, Navy and Finance.

Nippon's China policies will be revised at a joint conference of representatives of the Ministries of Foreign Affairs, War, Navy and Finance to be held in the immediate future, *Domei* reported April 18. Prior to this, Foreign Minister, Arita, will discuss the question with Premier Koki Hirota, the author of Japan's Three-Point Program for the readjustment of Sino-Japanese relations. The main item on the agenda of the conference will be Nippon's attitude towards the Sino-Japanese conference, proposed by the Nanking Government late last December. The conferees will also formulate a set of instructions which will guide Shigeru Kawagoe, Ambassador-designate to China, in his conversations with the Chinese Government leaders.

KITA SAYS "THREE POINT PROGRAM" FIRMLY ESTABLISHED

Japan's Three-Point Policy towards China is "firmly established and would not be changed," Maj.-Gen. Seiichi Kita, the newly appointed military attache to the Japanese Embassy in China, told *Domei* upon his departure for Shanghai aboard the m.v. *Asama Maru* April 19. Questioned regarding the reported Sino-Soviet collaboration, the officer said that "Soviet Russia is actively seeking to root out Japanese influence in China. "Japan," he declared, "cannot allow the spread of the Communist movement in North China. In view of this, the strengthening of the Japanese Garrison in Tientsin is of the utmost importance." Major-Gen. Kita said he was "not aware" of Nanking's plans to replace Gen. Sung Chehyuan as the Chairman of the Hopei-Chahar Political Council. "Gen. Sung," he said, "has been very earnest in his work, and the reported change appears to be unnecessary."

Commenting on the reported anti-Japanese declaration issued by Gen. Li Tsung-jen, one of Kwangsi Province leaders, Major-Gen. Kita said that such utterances have been made in the past for "domestic political reasons." "The failure of foreign investors in China," he continued, "could be attributed to their misunderstanding of the real situation in the Far East. The reported American loan to China does not appear to be feasible. "After sounding the views of the Government leaders and studying the situation," he concluded, "I shall do my best to readjust the relations between Japan and China."

Major-Gen. Seiichi Kita does not intend to initiate any new departures in the conduct of his office. He said so on his arrival in Shanghai April 21. "I intend to follow the practice of my predecessor," Major-Gen. Kita said. "The policy of the Japanese Army is set by the authorities in Tokyo and there can be no change made in it locally."

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"If winter comes, can spring be far behind?"

This is no poem but prosaic consolation to the nation which learned with dismay that Hu Han-min, Chairman of the Central Executive Committee, to whom it had extended last winter a hearty invitation to proceed to Nanking, but now learns with sorrow that Mr. Hu can not come north after all. The reason given was that the rigor of winter had unavoidably held up Mr. Hu's trip till spring. With this explanation the public had to be satisfied, being ever so trustful of the essential good faith of its political leaders, and therefore never stopping for one moment to ask why one who had just returned from a sojourn in Switzerland and Germany could not stand the weather of Nanking. It was not so much its credulity as its persistency in hoping for the best, which then as so often before reconciled it to compensatory thoughts.

But the nation was destined to be again disappointed. For spring has come without even a word from Mr. Hu that he would honor his promise by proceeding to the Capital. While his movements are exclusively a matter of personal freedom, his failure to rejoin his colleagues in the Central Government has caused a widespread regret that things had not taken a more hopeful turn. It is a pity that the movement for national unity so enthusiastically espoused by the interested parties right after the Manchurian incident, should still fall short of its objective, whereas circumstances a hundred times less grave than those which have confronted China during these five fateful years would have sufficed to unite any other people in no time.

To the writer, however, the whereabouts of Mr. Hu is by no means the decisive factor in the likelihood or otherwise of national unity. To say this is not to deny his unquestioned influence one way or the other. On the other hand, it is fair to ask whether he can carry the whole Southwest with him in case he decides to go to Nanking.

The real difficulty of the situation is that the opposition in Canton is preponderantly military, and only in a minor degree political. To that fact owes much of the elusive nature of the differences between Nanking and Canton. Years ago it had been Canton's favorite practice to assail the tendency toward dictatorship on the part of General Chiang Kai-shek. As time went on, the silent but none the less profound changes that had come over the career of the Generalissimo and the crisis facing the country have robbed that charge of much of its force with the result that it apparently died down.

Toward the end of last year the Canton opposition shifted its main emphasis to the conduct of foreign relations, especially those with Japan. For a time it seemed as if the nation's foreign policy were the only issue between it and Nanking. Such at least was the impression created by public statements of such leaders of the Southwest as Messrs. Hu and Chou Lu who presented strong views regarding Sino-Japanese relations. When General Matsui, member of the Japanese Supreme War Council, called on Mr. Hu in his recent Pan-Asiatic mission to the Southwest, the latter took exception to the Pan-Asiatic Doctrine in terms which were meant as much for Nanking as for the Japanese general. But as quickly as it had come to the forefront, the foreign policy issue receded to the background. Are we to understand that it was solved somehow or other to the satisfaction of both parties? Or was it simply shelved to be raised anew at a time more opportune to Canton and correspondingly more embarrassing to Nanking?

Presently another issue has loomed large in the political discussions between Nanking and Canton. On the occasion of Dr. Wang Chung-hui's latest unity mission to Nanking, frequent exchanges of views on China's draft constitution have been going on between him and high party and government officials. There is no doubt that with Dr. Wang's legal erudition and experience and his professed impartiality brought to bear on the discussions, much can be done to bring the views of both sides closer. Furthermore, it was mainly over the constitutional issue, it may be recalled, that General Chiang and Mr. Hu parted hands. So mutual accommodations on this issue should go a long way towards breaking the estrangement between the two leaders. But the question is, now as on several occasions in the past, the sincerity of purpose of Canton, i.e., whether the constitutional issue is not just another weapon to harass Nanking.

While not despairing of an eventual rapprochement between Nanking and Canton, we nevertheless do not regard such an eventuality as having a bright prospect in the near future. It may be that the genius of the Chinese people, as Dr. W. E. Hocking suggested, is better fitted to building from the bottom upwards than to organizing from the top downwards. In that case unity, can neither be forced nor hastened. The results of forced or hastened unity would under any circumstance be highly dubious, to say the least. In this connection it would not be entirely irrelevant to conjecture if Nanking could have done so much in the Yangtze Valley had its effective control not been limited by the force of circumstances to the central provinces. Here may be found a hint as to what Nanking and Canton should do pending complete understanding which, in the nature of the case, time alone can achieve.

In the first place, it should be the aim of both Nanking and Canton to bring about an increasingly efficient and honest government in the territories over which they exercise full control. In all fairness to both it must be said that Canton has lagged far behind Nanking in this regard. The prevalence of political corruption, nepotism, grafts and squeezes weighed heavily on the administrative machinery of Canton where the will to political reforms, such as has recently motivated Nanking with action and hope, is totally lacking. Although much has also been heard of economic reconstruction in the Southwest, close scrutiny will reveal the underlying motive to be vain competition with Nanking with the consequent wasteful duplication of enterprises and lack of careful planning and sane policy. When to these is added the crushing burden of taxation in Kwangtung Province especially, it is no injustice to say that a government with such record makes a poor bid for popular sympathy to its cause, hence for the status of an opposition regime.

Sound and efficient government within must be supplemented, secondly, by avoidance of foreign complications. It is certain that those of China's enemies who are jealous of a united Chinese nation would not wait for time to work out its natural unifying influence. Signs of this have begun to appear in the Southwest, especially in Kwangsi Province where Japanese capital has succeeded in obtaining a number of mining concessions. In Kwangtung, too, inefficient government has created some delicate issues of foreign relations such as smuggling, which has assumed alarming proportions, and the organization of renegade bodies by Japanese ronin and with Japanese gold. The Southwest has rightly opposed Nanking's seemingly endless concessions to Japan. It is now up to its leaders to check the growing Japanese influence nearer at home.

German Missionary Is Thanked by British Embassy for Help in Bosshardt Release

The British Embassy in Peiping April 15 expressed its appreciation for the untiring efforts of Hermann Becker, the German missionary stationed in Hunan, who negotiated with the Reds under Ho Lung for the release of Messrs. A. Hayman and R. A. Bosshardt of the China Inland Mission, who were captured on Oct. 2, 1934. Mr. Becker was successful in obtaining the release of Mr. Hayman, a New Zealander, who, after 413 days in the hands of his captors, was liberated on Nov. 18, last year. The German missionary then resumed negotiations with the Communists for the release of Mr. Bosshardt. For months he followed the peregrinations of the Reds through Hunan and Kweichow provinces, sending in Chinese messengers whenever the Communists halted long enough for that purpose.

Negotiations, however, broke down, and Mr. Becker was still endeavoring to contact the captors of Mr. Bosshardt when he learned that the Anglo-Swiss missionary had been released. Mr. Bosshardt, to the complete surprise of everyone, was released unconditionally by the Reds and walked into Yunnanfu last week.

American and British Missionaries Withdrawn from Region West of Mukden

Foreign reports alleging that missionaries in Hsinmin, 37 miles west of Mukden, have decided to withdraw from the district as the result of an outbreak of banditry in the region were described by a spokesman of the Manchukuo Government in Hsinking April 21 as "foolish propaganda." "Such reports," he said, "are motivated by foreign jealousy of the progress in the reconstruction of the new Empire, and its success in restoring peace and order.

Were the reports of bandit activities near Hsinmin correct, the spokesman argued, service along the Mukden-Peiping Railway would have been suspended. "The fact that service is being maintained without interruptions," he added, "is a proof that the foreign reports of bandit attacks are absolutely groundless."

Whatever the reason, however, the British and American consular authorities in Mukden decided to evacuate their nationals from the threatened region following a discussion between the U.S. Consul-General and the commandant of the Japanese gendarmerie in Mukden. The latter advised that all missionaries be withdrawn as there were not sufficient Japanese troops available to guarantee constant protection.

Britain Builds Four Torpedo Boats for China—Fastest in the World

Four torpedo motor-boats, the fastest of their kind in the world, are being completed by Messrs. Thornycroft & Co., for the Chinese Government.

The first one was tested on the Thames April 16 and exceeded 50 miles an hour, though carrying a heavier load than ordinarily required.

Nanking Accepts Consul Kawagoe as Ambassador; Kita Says Three-Point Program Firmly Established

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Arita Considers Positive Diplomatic Action in Dealing China.**
2. **Kita Declares Hirota's Three-Point Program to Be Enforced.**
3. **Peiping Chosen as Venue of Coming Sino-Japanese Negotiations.**
4. **65 Japanese Warships With 30,000 Sailors Visit Tsingtao.**
5. **Autonomous Movement in Fukien Said Assuming Serious Proportions.**
6. **General Chiang Kai-shek Confers With Szechuan Leaders at Chengtu.**
7. **Anti-Japanese Government Formed by Communists in Yunnan.**
8. **Return of Panchen Lama to Tibet Impossible, Says Japanese Paper.**
9. **Powers of President Main Point in Discussions on Constitution.**
10. **Hu Han-min Assails Sino-Japanese Joint Anti-Red Pact in North.**

The Executive Yuan on April 21 approved the appointment of Shigeru Kawagoe, the Japanese Consul-General at Tientsin, as Ambassador to China. Mr. Kawagoe succeeds H. Arita, who was recalled to Tokyo to assume the post of Minister for Foreign Affairs.

The Nanking Government's consent to the appointment of Shigeru Kawagoe as Japanese Ambassador to China was asked April 16 by Yakichiro Suma, Consul-General at Nanking, in an interview with Gen. Chang Chun, Foreign Minister, according to *Domei*. The report quoted a high official of the Waichiaopu as saying: "China is not in a position to object to Mr. Kawagoe's appointment." Mr. Kawagoe became the leading candidate for the post as soon as Mamoru Shigemitsu, former Vice-Minister for Foreign Affairs and Minister to China, indicated his desire to withdraw from active service. *Domei* reported that both the Army and the Japanese residents in Shanghai were opposed to Mr. Shigemitsu's appointment. Mr. Kawagoe was born in Kyushu, 55 years ago, spending the last eleven years of his diplomatic service in Manchuria and China. He was graduated from the Tokyo Imperial University in 1908, beginning his diplomatic carreer in Hankow two years later. His next posts were in Shasi and in Switzerland, as a secretary of the Legation. In 1921 he was appointed chief of the Third Section of the Gaimusho's East Asian Affairs Bureau, three years later being transferred to Berlin as second secretary of the Embassy. In 1925 he began his eleven years of uninterrupted service in East Asia, with the appointment as consul-general in Kirin. Four years later he was transferred in the same capacity to Tsingtao. In 1932, a year after the Mukden Incident, he was appointed councillor of the Embassy in Hsinking, followed a year later by appointment as consul-general in Canton, and in 1934 as consul-general in Tientsin.

Interviewed by the foreign press at Tientsin April 17, Mr. Kawagoe declared: "No matter who is appointed Japanese Ambassador to China, the Japanese Embassy should be moved to Nanking from Shanghai. Special attention will be paid to the North China problems, but the development of economic conditions in the area should be dictated by the mutual interests of Japan and China. It is wrong if the result of the economic development means the oppression of the Chinese. This opinion of mine will not be changed, no matter where I shall work, in Tokyo or in Nanking."

An indication that the Japanese government intends in future to deal direct with various local governments in China is seen by the independent *Hsin Chin Jih Pao* in Nanking in the appointment of Mr. Kawagoe as Ambassador to this country. The Japanese Army, the journal says, opposed the appointment of Mr. Shigemitsu as Ambassador because he favored Anglo-Japanese co-operation in China. Mr. Kawagoe it continues, has dealt with the East Hopei "autonomous" government and the Hopei-Chahar Political Council and is, therefore, considered an expert in the so-called policy dealing with local governments "instead of treating China as a unity."

ARITA CONSIDERS POSITIVE DIPLOMATIC ACTION IN DEALING WITH CHINA

Japan's diplomatic policies towards China were discussed at length in Tokyo April 16 as Hachiro Arita, Foreign Minister, continued his conversations with key officials of the Gaimusho, reported *Domei*. The principal question brought out during the gathering was whether Japan should launch into a positive course of diplomatic action in an effort to seek a solution of various issues pending between the Tokyo and the Nanking governments or whether she should bide her time pending a turn to the better in the relations between the two peoples. Mr. Arita was represented as feeling that China is not sincere in her professions of the desire to adjust Sino-Japanese relations. He feels that China is looking forward increased tension between Soviet Russia and Japan and she hopes to be able to utilize that eventuality to her advantage.

"Earnest hope" for the establishment of "normal" relations between Japan, "Manchukuo" and China will be voiced by Hachiro Arita, Foreign Minister, when he reviews the nation's diplomatic policies before the 69th extraordinary session of the Diet early next month, *Domei* reported April 19. Mr. Arita, *Domei* learned, will emphasize that the Three-Point Program of Premier Koki Hirota, his predecessor at the Gaimusho, would be continued without modifications. The new Foreign Minister is also expected to emphasize Japan's intention to cooperate with "Manchukuo" and China in eradicating the communist movement in the Orient. Continuation of efforts to persuade the Soviet Government to withdraw its "excessive" military establishments on the border with Manchukuo is also expected to be pledged by Mr. Arita.

Continuing the conference begun April 17 with Premier Koki Hirota on the future conduct of Japan's foreign policy, Hachiro Arita, Foreign Minister, again was closeted the following day with the Prime Minister. At these meetings, *Domei* learned from an authoritative source, Mr. Arita has laid before the Premier the conclusions he has reached after listening to reports made by various bureau chiefs of his ministry at a series of conferences earlier last week and is seeking Mr. Hirota's approval of the measures he is contemplating.

These discussions are attracting much attention in view of the announcement by Premier Hirota, at the time of the organization of his Cabinet, a month ago, that Japan would pursue "an independent and positive" foreign policy. Before enforcement, however, the new policies of Mr. Arita, especially that towards China will be discussed at a joint conference of representatives of the Ministries of Foreign Affairs, War, Navy and Finance.

Nippon's China policies will be revised at a joint conference of representatives of the Ministries of Foreign Affairs, War, Navy and Finance to be held in the immediate future, *Domei* reported April 18. Prior to this, Foreign Minister, Arita, will discuss the question with Premier Koki Hirota, the author of Japan's Three-Point Program for the readjustment of Sino-Japanese relations. The main item on the agenda of the conference will be Nippon's attitude towards the Sino-Japanese conference, proposed by the Nanking Government late last December. The conferees will also formulate a set of instructions which will guide Shigeru Kawagoe, Ambassador-designate to China, in his conversations with the Chinese Government leaders.

KITA SAYS "THREE POINT PROGRAM" FIRMLY ESTABLISHED

Japan's Three-Point Policy towards China is "firmly established and would not be changed," Maj.-Gen. Seiichi Kita, the newly appointed military attache to the Japanese Embassy in China, told *Domei* upon his departure for Shanghai aboard the m.v. *Asama Maru* April 19. Questioned regarding the reported Sino-Soviet collaboration, the officer said that "Soviet Russia is actively seeking to root out Japanese influence in China. "Japan," he declared, "cannot allow the spread of the Communist movement in North China. In view of this, the strengthening of the Japanese Garrison in Tientsin is of the utmost importance." Major-Gen. Kita said he was "not aware" of Nanking's plans to replace Gen. Sung Cheh-yuan as the Chairman of the Hopei-Chahar Political Council. "Gen. Sung," he said, "has been very earnest in his work, and the reported change appears to be unnecessary."

Commenting on the reported anti-Japanese declaration issued by Gen. Li Tsung-jen, one of Kwangsi Province leaders, Major-Gen. Kita said that such utterances have been made in the past for "domestic political reasons." "The failure of foreign investors in China," he continued, "could be attributed to their misunderstanding of the real situation in the Far East. The reported American loan to China does not appear to be feasible. "After sounding the views of the Government leaders and studying the situation," he concluded, "I shall do my best to readjust the relations between Japan and China."

Major-Gen. Seiichi Kita does not intend to initiate any new departures in the conduct of his office. He said so on his arrival in Shanghai April 21. "I intend to follow the practice of my predecessor," Major-Gen. Kita said. "The policy of the Japanese Army is set by the authorities in Tokyo and there can be no change made in it locally."

"I have nothing in particular to state at this time," Major-Gen. Kita declared. "Having been away from China for some time, I shall have to study the stiuation thoroughly before making any observations." Asked about his reported plans for a conference of resident Japanese military officers in China, the attache said that he had first heard that he had been credited with advocating such a plan after embarking on the ship. He asserted that he had no plans for the moment.

The Japanese Army's China policy will be reviewed at a conference to be called some time next June or July, after Maj.-Gen. Seiichi Kita, the newly appointed military attache to the Japanese Embassy in China, completes his study of the conditions in the latter country, *Domei* reported from Tokyo April 19. The conference will be attended by Maj.-Gen. Kita, Japanese military officers stationed throughout China and representatives of the central Army authorities. It is expected to be held in Tsingtao, but it is possible, *Domei* learned, that either Shanghai or Dairen would be selected the venue of the deliberations. High Army officials in Tokyo emphasize that although numerous statements voicing friendly feelings towards Japan have been issued in Nanking following the joint declaration of Gen. Chiang Kai-shek and Wang Ching-wei, in February, 1935, little progress has been made in the improvement of Sino-Japanese relations. The expected clarification of the situation in North China, Army officials said, was also delayed by the communist activities in Shansi. "The reported Soviet-Nanking friendship," a high Army officer told *Domei*, "casts a shadow on Sino-Japanese relations. The conference is expected to parallel the conversations of Shigeru Kawagoe, Ambassador-designate to China, with the leaders of the Nanking Government.

Plans have been made by the Nanchang-Kiukiang Railway Administration to repay its debts to Japanese interests, amounting to $10 million in principal plus $8 million in interest. As a result of negotiations between the railway and Japanese authorities concerned, it was decided that the railway will repay the debts by instalments at the monthly amount of 70,000 yen. Of this amount, it was learned that the railway administration would bear 15,000 yen while the Ministry of Railways would be responsible for 55,000 yen monthly.

PEIPING CHOSEN AS VENUE OF COMING SINO-JAPANESE NEGOTIATIONS

Peiping, instead of Tientsin, will once more be the venue of negotiations between the Chinese and Japanese authorities for a settlement of outstanding Hopei and Chahar problems, which will be resumed very shortly, *Central News* reported April 20. Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, who is now in Tientsin, called on Maj.-Gen. Nagami, Chief of Staff to the Japanese Garrison in North China, April 20 to resume preliminary exchanges of opinions. Maj.-Gen. Nagami will shortly convene a conference of the Japanese officers in Peiping, Tsinan and Taiyuan in Tientsin to discuss North China problems. Maj-Gen. Matsumuro, chief of the Special Service Department of the Japanese Garrisons in North China, who is to be Japanese representative in the forthcoming Sino-Japanese talks, is leaving for Tientsin shortly to see Major-Gen. Nagami.

Lieut.-Gen. Tada, Commandant of the Japanese Garrison in North China, is now on a tour inspecting Japanese troops along the Peiping-Liaoning Railway up to the Great Wall. Lieut.-Gen. Tada left Tientsin in a special train April 20, arriving in Shanhaikwan the same night. On the following day he inspected troops at Chinwangtao and Changli. On April 23 he inspected troops at Tangshan and Tangku following which he returned to Tientsin.

Major-General Matsumuro, Director of the Japanese Special Service Department in Peiping, declared April 16 that he "Manchukuo" troops under the command of Li Shou-hsin, now stationed at North Chahar, will not be withdrawn. As to the abolition of the bogus regime of East Hopei, Major-General Matsumuro declared that no date has yet been fixed for its abolition. According to well-informed circles, Major-General Matsumuro will not be responsible for the negotiations between the Japanese and Chinese authorities for the solution of the East Hopei and North Chahar problems.

NANKING GRANTS $1,000,000 TO HOPEI AND CHAHAR COUNCIL

Upon the request of General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political, the National Government has consented to make a grant of $1,000,000 for meeting the deficit incurred to the administration. The Ministry of Finance has been instructed to remit the sum to General Sung. The sum represents an extraordinary grant to the Hopei and Chahar Political Council, as the latter has been receiving a monthly subsidy of $2,540,000 from Nanking.

The newly-created Reconstruction Committee of the Hopei-Chahar Political Council was formally inaugurated April 20 with Gen. Men Chih-chung, Council member, as Chairman. The new Committee will be in charge of water conservancy, electric supply, and highway construction in the two provinces of Hopei and Chahar.

Shanghai Mainichi on April 18 reported that an agreement has been concluded by the C C Group and the Blue Shirts and they are cooperating closely in the course of their anti-Japanese movement and suppression of the anti-Chiang activities. Since the last Congress of the Kuomintang, the influence of the C C Group has been considerably replaced by the Blue Shirts. Many of the C C members were expelled from the Central and local headquarters of the Kuomintang. Chen Li-fu, the head of this group, was replaced by Chang Lai-sheng as the Chairman of the Organization Committee.

CONFERENCE AT UCHUMUHSIN MAY DECIDE FUTURE OF INNER MONGOLIA

The future of Inner Mongolia will probably depend on the outcome of an important conference, which, according to *Reuter*, is being held at Uchumuhsin, northeast of Chahar and near the boundary of Mongolia, Manchukuo and Outer Mongolia. The conference is being attended by Prince Teh, Vice-Chairman of the Mongolian Political Council, a number of Japanese officers from Chahar, and Japanese and Manchukuo officials from Changchun.

General Sung Cheh-yuan, Chairman of the Hopei and Chahar Council, has agreed to appropriate the sum of $200,000 for the relief of Mongols who have lost their herds during the recent severe weather in Inner Mongolia. This results from the appeal made by Pao Yueh-ching, Director of the Peiping office of the Pailingmia Council.

65 JAPANESE WARSHIPS WITH 30,000 SAILORS VISIT TSINGTAO

Under the command of Admiral Takahashi, 65 Japanese warships arrived at Tsingtao April 16, carrying with them more than 30,000 sailors, according to *Shun Pao*. Admiral Takahashi called on Sheng Hung-lien, Mayor of Tsingtao and General Han Fu-chu, Chairman of Shantung, visiting in Tsingtao in the afternoon.

A 17-gun salute greeted Gen. Han Fu-chu, Chairman of Shantung, as he boarded H.I.J.M.S. *Nagato* in the morning of April 17 to pay an official call on Admiral Sankichi Takahashi, Commander of the Japanese Combined Fleet. The visit lasted 20 minutes, with Koichi Nishida, Japanese Consul-General, acting as interpreter.

After making a forced landing off Tsingtao April 16, the crew of the No. 1 plane of H.I.J.M.S. *Nagato* and the craft itself were rescued by the Nisshin Kisen Kaisha liner *Kwazn Maru*. The landing was caused by engine trouble. The warship is a part of the Combined Fleet, calling at Tsingtao.

A Chinese policeman was injured in Tientsin, April 16 by a stray bullet fired by a Japanese soldier, during the manoeuvres reported *Shun Pao* April 17. After the incident, a Japanese military officer called on the police authorities, apologizing for the incident and offered to pay the medical expenses of the policeman. The offer, however, was not accepted by the police authorities.

AUTONOMOUS MOVEMENT IN FUKIEN ASSUMES SERIOUS PROPORTIONS

The autonomous movement in Sothuern Fukien has assumed sorious proportions, reported *Chengchow Jih Pao*, Honan April 14. Martial law has been declared in the city of Chuanchow where a rigid search is now being conducted by the army for the apprehension of a number of special agents of the socalled autonomous army in Southern Fukien. Meanwhile, agents of the autonomous army are also reported to have entered the important towns and cities along the Tsinkiang.

According to a *Shen Pao* report April 16, the notorious bandit leaders, Lin Chen-chun and Li Liu-tiu, have organized a bogus "Self-Governing Army" at the 2nd, 3rd, 4th, and 5th districts of Pingho Hsien in Fukien. These bandit leaders are forcing the local people to join the army, which is being organized for certain ulterior motives. Lin Chen-chun, who was arrested by the 80th Division of the Government Army some time ago, was recently released at the request of the Consul-General of a certain country. It is apparent that this bandit leader is closely connected with the cartain country.

In the eastern district of Putien in Fukien, Chinese traitors have organized a life insurance company. This company is maintaining close contacts with the organizations of the traitors of Swatow and other parts of Fukien.

In view of the disturbing conditions in south Fukien, General Chen Yi, Chairman of Fukien, is now on an inspection tour of south Fukien. General Chen will confer with General Chiang Ting-wen, Pacification Commissioner of Fukien at Changchow. General Chen is expected to be away for about twenty days.

JAPANESE WARSHIPS TO STAGE MANOEUVER IN SOUTH CHINA WATERS

The Foochow and Amoy authorities are in receipt of a report from the Central Government, declaring that more than 70 Japanese warships will stage a series of manoeuvres along South China coast, reported *Shun Pao* April 16,

Two Japanese warships arrived in Swatow April 17.

Great attention is being paid by the Amoy authorities to the activities of some twenty Japanese 'ronins' at Nan Ngau Tao (island), 60 miles east of Swatow, according to a *Shun Pao* report. These Japanese are organizing the fishermen on the island into an organization for the promotion of an "autonomous" movement. Larges numbers of pirates on the island are reported to have been recruited by these Japanese.

Five boats used by smuggling of goods into Fukien from Formosa have been detained by the Customs authorities along the coast at Foochow, reported *Ta Wan Pao*, April 10.

Hwalien News Agency reported that according to Japanese circles, a large picee of land in Macao has been purchased by the

Japanese at a cost of $400,000 and an aerodrome will be built in the district. The Japanese report that godowns will be built on the land, instead of an aerodrome.

According to reports received at Amoy, April 20, the Formosan Development Company to be organized for the Japanese development of economic conditions in South China and the South Sea Islands, will have a capital of Yen 30,000,000, half of which is to be subscribed by the Japanese Government.

Hwalien Agency reported from Tokyo, April 15 that in addition to the decisions of economic development in North China, the Japanese Government has decided to establish special economic offices in Kwangtung, Kwangsi and Fukien provinces for the economic development of South China. These offices will be formally established this summer and will have a budget of Yen 100,000 each. Members of the "Chiu Chiu Society" are extremely active in Swatow, according to *Ta Wan Pao*, April 17. These people are reported to have been organized for the assassination of patriotic Chinese. A branch of this society has been recently organized in Shanghai.

The investigations into the case of the Korean "Blood Group" will be completed within this month by the Japanese Consulate, Reported *Shanghai Mainchi* April 19. Four members of the group were arrested and are now under examination. They will be deported from Shanghai to Korea. It has been found that a few more members of the group, including King Chan-ken, King Shen-en and Han Tao-yuan once threatened to rob a certain rich Korean in the French Concession.

A foreigner accompanied by a Korean girl was found taking hotos in Sungkiang, Kiangsu by the local police authorities, and twelve rolls of films have been detained by the authorities.

GENERAL CHIANG KAI-SHEK CONFERS WITH SZECHUEN LEADERS ON REFORM

Welcomed by a surging crowd of over 50,000 people, General Chiang Kai-shek, President of the Military Affairs Commission, arrived at Chengtu from Chungking in the afternoon of April 17, aboard his private airplane. The gathering, headed by General Liu Hsiang, Chairman of Szechuan, included local Party, civil and military leaders, students and representatives of civic organizations. General Chiang later received General Liu Hsiang and other Government leaders to inquire about the latest developments both in the military and civil fields.

"You cadets should learn to become modern revolutionary soldiers to fight for the nation, the people and principles." With these words Gen. Chiang Kai-shek addressed 6,000 cadets of the Chengtu branch of the Central Military Academy at its opening ceremony April 18. Besides the duty of defending the nation, Gen. Chiang said, the cadets should also learn to lead the people in productive and reconstruction enterprises with a view to bringing about peace and prosperity among the people. The ceremony concluded with a grand review of the school cadets.

The ranking Szechuan and Central Government commanders at Chengtu were each received by General Chiang Kai-shek, President of the Military Affairs Commission, in individual interviews April 20. Among them were Lieut.-Generals Liu Wen-hui, Pan Wen-hua, Tang Shih-tsun, Wang Tsan-hsu and Sun Chen, Commanders respectively of the 24th, 23rd, 21st, 44th and 41s Armies; Lieut.-General Li Chia-yu, Commander of the 104th Division, of the Szechuan Provincial Forces; Lieut.-General Hsieh Yo, Field-Commander of the 2nd Route Army of the Bandit-suppression Forces; and Lieut.-Generals Chou Hun-yuan and Wu Chi-wei, Commanders of the 36th nad 4th Central Government Armies. A dinner in honour of the military commanders was given by General Chiang subsequently. Prior to the reception, General Chiang also received Kwan Chi-yu, Special Finance Commissioner for Szechuan; Dr. Hu Shu-hua, President of Chungking University, and the Managers of the local Branches of the Central Bank of China and the Farmers Bank of China.

Climaxing a series of conferences with people of various walks of life, Gen. Chiang Kai-shek received a group of over 90 local civic leaders and educators of Chengtu April 19. As an encouragement to the free expression of opinions Gen. Chiang first requested members of the group to air their views on the various difficult problems confronting the Szechwan people and suggestions as the improvements and reforms. After listening to their views Gen. Chiang addressed the group, accepting their opinions and emphasizing that Szechwan should play not a small part in national regeneration. Following the conference the Generalissimo received Gen. Ku Chu-tung, director of the Generalissimo's Provisional Headquarters in Chungking.

Commenting on the recent arrival of General Chiang Kai-shek in Chengtu, the *Shanghai Nippo* points out that General Chiang used to pull the wires behind some of his loyal followers, in order to settle some important questions. "The recent departure for Chengtu and Chungking also enabled him to evade a direct contact with the critical situation in Shansi and in North China." Dwelling on the situation in western China, the Japanese daily emphasized that the situation in both Szechuan and Kweichow is not optimistic as far as the control by Nanking Government is concerned. "General Chiang will personally inspect the administration in Szechuan, and attempt to improve the local situation. However, Nanking seems to be engaged in the fulfillment of a 'formal' control by Nanking, rather than an actual control." Pointing out that the Nanking authorities are now achieving their control over Shansi and also the Southwest, the *Shanghai Nippo* declares that both General Chiang and the Nanking Government are adopting every measure to win control."

The province of Kweichow is completely rid of bandits, General Wu Chung-hsin, Chairman of Kweichow, stated in an interview upon his arrival from Kweiyang by airplane April 18 to see General Chiang Kai-shek. Although 15 districts were harassed by the incursion of the "Reds" under Ho Lung and Hsiao Ko the loss has not been heavy. The spring sowing has not been affected, he said. A sum of $300,000 has been appropriated by the Kweichow Provincial Relief Committee for the institution of urgent relief while the Kweichow Provincial Government has also ordered that payment of the arrears in Farm Tax in the affected areas be exempted for the 23rd fiscal year (July, 1934-June, 1935) and also for the 24th and 25th fiscal years (1935-36 and 1936-37) in order to alleviate the sufferings of the people.

ANTI-JAPANESE GOVERNMENT FORMED BY REDS IN YUNNAN

Shanghai Nichi-Nichi on April 19 reported that a joint manifesto has been issued from a district west of Kunming, Yunnan, by Communist leaders, including Chen Pi-shu, Hsia Shi, Ho Lung and Hsiao Keh, for organizing a National Revolutionary anti-Japanese Government in Yunnan near the border of Szechuan. The manifesto provides that the Government will liberate the people of the three provinces, strengthen the national revolutionary front, and mobilize the masses for rendering assistance to the troops in North China and starting an anti-Japanese war.

The Red march through Yunnan towards the north-west continues, according to *Reuters* reports received at Peiping. The 16th, 17th, 18th and 4th Red divisions are en route to Tayao, about 110 miles north-west of Kunming, from Yuanyungtsing, while the 5th and 6th divisions, which had surrounded Tsuyung, roughly half-way between Talifu and Kunming on the main highway, have now withdrawn and are marching westwards. Missionaries in north-west Yunnan have already been warned of the Red danger and advised to seek places of safety.

Two regiments of communist bandits under Ho Lung were surrounded and disarmed by Yunnan provincial troops at Paomanchieh to the west of Kunming, according to *Central News*.

The Yunnan Provincial Government in a telegram to the Central authorities report that the Reds under Ho Lung are attempting to cross the Kinsha Kiang (tributary of the Yangtsze River) northwards to southern Szechuan. Their vanguards have advanced as far as Yenhing and Yao-an, respectively 105 and 165 miles north-west of Kunming (Yunnanfu), provincial capital of Yunnan. It is anticipated that the "Reds" will continue their flight further northwards and after crossing the Yangtsze River escape to Yenpien and Yenyuan, in the extreme south-west of Szechuan.

Vigorous attacks were reported to have been simultaneously made on April 13 by Communist troops on Lufeng, 35 miles west of this city, and on Lotse, about 32 miles northwest of Kunming. After arrival of government reinforcements the attacks were successfully repulsed, a military communique states.

While government troops have been slowly driving the Communist troops further westward from Kunming, another magistrate has fallen martyr to the Red-suppression cause, according to *Central News*. He was Ma Feng, magistrate of Chuhsiung district, situated 65 miles west of Kunming. The first magistrate killed by the Reds was Tang Keng-hsin, magistrate of Hsuntien, 60 miles north-east of Kunming, who fell on April 6. A military communique issued by the headquarters at Kunming states that the bulk of the Red Army is now gathered in the Chennan-Yaoan region which is respectively about 30 miles west and 40 miles northwest of Kwangtung.

GENERALISSIMO NOT TO ESTABLISH HEADQUARTERS IN SHANSI

Report that Gen. Chiang Kai-shek, will shortly establish his provisional headquarters in Shansi is described as untrue by Chao Pei-lien, Vice-Chairman of the Mongolian and Tibetan Commission and a close adherent of Gen. Yen Hsi-han, upon his arrival at Peiping from Nanking April 16. There is no necessity at all, said M. Chao, for the Generalissimo to have a headquarters in Shansi.

General Chiang Kai-shek, has despatched a telegram of commendation to the rank and file of the Shansi Bandit-Suppression Forces, who were wounded in the recent battles with the "Reds".

In appreciation of the repeated victories scored by the Central Government troops, a sum of $10,000 has been raised by the various civic organizations in Taiyuan and remitted to Lieut.-General Chen Cheng, Commander of the 1st Route Army, for distribution among the rank and file.

Owing to the relentless pressure of the Central Government forces under Lieut.-General Tang En-po, Commander of the 13th Army, the southern "Red" column, escaping northwards from Kihsien, attempted to occupy the city of Taning, western Shansi on April 16, but was repulsed. Arriving at Pitisowan, east of Wucheng, a town about 15 miles south of Sihsien in western Shansi, ahead of the marauders, the units of the 25th Central Government Division on April 17 took the 1st and 2nd "Red" divisions of the 1st "Red" army corps under Lin Piao by surprise. The "Reds"

in an effort to penetrate through, rushed the Government camp six times but without success. Suffering huge causalties, they then fled in confusion towards Wucheng.

Construction of a circular chain of block-houses in Shansi as a bulwark against Communists has been ordered by Gen. Yen Hsi-shan, Pacification Commissioner for Shansi. Identic instructions have been issued to the various army units now operating in the Red region to the effect that a network of block-houses in all the districts recently recovered from the hands of the Communist forces, be immediately built.

Acting in his capacity of chairman of the Chahar and Hopei Political Council, Gen. Sung Chen-yuan ordered April 15 the immediate opening of an anti-bandit and Communist-suppression campaign in the two provinces, reported *Domei*. The eradication of these elements should be completed in three months, the orders said. Gen. Sung added that he would reward deserving magistrates and punish those lax in their duties during this campaign on the basis of personal observations made during a projected tour.

ALLEGED SECRET AGREEMENT BETWEEN NANKING AND COMMUNISTS

Shanghai Mainichi on April 18 reported that a recret agreement for the redivision of territory was concluded on Februâry 22, in Lochuan between the Communists and the Nanking authorities, through the negotiations made by Mao Tse-tung and General Chang Hsueh-liang. The agreement provides that the Communists should enter the province of Shansi, to menace the position of General Yen Hsi-shan. They will further menace the border of Hopei, in order to hamper the development of the Hopei and Chahar Political Council. The agreement will be one of the main topics in the forthcoming Sian conference.

RETURN OF PANCHEN LAMA TO TIBET SAID IMPOSSIBLE

As a result of the growth of influence of the pro-British group in Tibet, the return of Panchen Lama is thought to be impossible, said *Shanghai Nippo*, April 21. Nanking's representative to Tibet is now returning. It is imperative for the Nanking Government to despatch a large military force to follow the Panchen Lama, if they really wish the latter to return to Tibet. The Panchen Lama is asking Nanking for some $300,000 to finance his return.

Shanghai Nippo on April 17 reported that the railway between Lhasa, capital of Tibet, and Kiangtse, the first point of aggression by the British, will be completed within this year. Following the completion of this line, trains will start from Calcutta, and arrive in Kiangtse and continue to Lhasa. This will enable the British to assume direct control over Tibet. The paper further reported that an agreement for the construction of the railway was concluded last autumn by Zhuchen Hutuktu, successor of the Dalai Lama with the Government of India. Mass meetings were held recently in Lhasa, supported by the British, to confirm Zhuchen Hutuktu as the legal and actual ruler of Tibet.

With the warmer weather now setting in the Northwest, the Panchan Lama, spiritual leader of Tibet, will start on his homeward journey to Lhasa sometime in May, *Central News* reported April 19. The special guards despatched by the Central Government to escort the Living Buddha back to Tibet are now in Kansu awaiting the Dignitary's arrival.

TRIAL OF MURDER SUSPECTS IN WANG'S CASE RESUMED AT NANKING

After an adjournment of 22 days, the trial of the six alleged suspects in connection with the attempted assassination case of Wang Ching-wei last November was resumed at the Metropolitan District Court in Nanking April 22.

The hearing of the case against the four suspects arrested for complicity in the attempt last November on the life of Wang Ching-wei, then President of the Executive Yuan, was resumed at the 1st Grade Court at Hongkong April 15. The four suspects standing trial are Yu Li-kuei (alias Li Tzu-an, who is also suspected for the attempt on the life of T. V. Soong, former Minister of Finance, at the Shanghai North Railway Station), Chou Shih-ping, Hu Ta-hai, and Chang Chih-han. One of the witnesses who gave evidence during the trial was Wang Jen-shan, who was arrested in Shanghai on Nov. 16 last year. He said that he has maintained an intimate friendship of over ten years with Wang Ya-chiao, alleged to be the master-mind who directed the assassination and who is still at large. After the unsuccessful attempt on the life of Wang Ching-wei, the witness continued, Hua Ko-chih (alias Hu Yun-ching), Director of the *Chen Kwang News Agency*, still at large, went immediately to Hongkong, and reported to Wang Ya-chiao. Hua also requested Wang and Yu Li-kuei to give financial assistance to the conspirators who had fled from Nanking. On Nov. 11 last year, the witness added, Wang Ya-chiao handed a sum of $1,000 to Miss Wang Pao-chen (Alias Tsui Ching-yao), the widow of the late Sun Feng-ming, who fired the pistol shots at Wang Ching-wei and later succumbed to wounds inflicted by the latter's body-guard. Accompanied by Miss Wang Pao-chen, the witness said, he brought the money to Shanghai. They arrived at Shanghai on Nov. 15 and put up at the New Asia Hotel on North Szechuan Road. Of the sum, $800 was given to Chang Yu-hua, a member of the Chen Kwang News Agency (now standing trial at Nanking for complicity in the same case.) On Nov. 16, however, the witness said, the police made a sudden raid on the hotel, and arrested the conspirators. Chang Chih-han, one of the suspects arrested, the witness added, is the personal secretary of Wang Ya-chiao. Evidence was then given by Wang Pin, Secretary of the Nanking Gendarmerie Headquarters. He related the circumstances leading to the arrest in Shanghai of Wang Hua, Miss Wang Pao-chen, Wang Jen-shan, Chen Mang-chih, and Kuo Chih-feng.

HU HAN-MIN ASSAILS SINO-JAPANESE JOINT ANTI-RED PACT

The following is he gist of the latest statement of Hu Han-min, veteran Kuomintang member, published in the *San Min Chu Yi Monthly* in Canton. Mr. Hu said:—"The recent Sino-Japanese negotiations proceeding in Nanking and North China have been carried out in a most illegal manner. Special attention sould be paid to the Japanese demand for a joint campaign against the Reds in China. China will be a protectorate of Japan like Korea and Formosa, if she accepts this demand. My duty at present is to unite all the possible forces in China for a joint resistance against our invaders in a final effort to save the Chinese people. It would be better for me to remain in the South if my proposal in this connection could not be carried out. Concerning international affairs, it is my opinion that, while Germany is strictly watching the development of the Soviet Union, an immediate Soviet-Japanese clash is not likely. I have not yet decided to proceed to Nanking. Reports in this connection are promature.

Hsiao Fu-chen, veteran Kuomintang leader, is reported to be seriously ill in his residence at Canton. According to his son, Hsiao Sung-chien, Mr. Hsiao Sr. has eaten practically nothing for two weeks.

The 9th anniversary of the establishment of the National Government at the Capital was celebrated at a memorial service at National Government House April 18.

POWERS OF PRESIDENT FORM LOCAL POINT IN DISCUSSIONS ON CONSTITUTION

Focal points in the controversial discussions on the Draft Constitution are now being centered on the administrative powers of the President, according to *Central News*.

Three different theories are learned to have been advanced namely;

(1) The powers of the President should not be specified in the Constitution;

(2) The clause "The President shall hold the central power of the Government" should be inserted,

(3) The section in relation to the President should be retained.

Decisions on these issues were expected to be reached at the weekly meeting of the Standing Committee of the Central Executive Committee scheduled for April 23.

The meeting of the sub-committee of the C.E.C. for the Examination of the Draft Constitution which was to have met April 20 to make a final study of the Draft was postponed on account of the absence of Dr. Wang Chung-hui, until recently Judge on the Permanent Court of International Justice, and Tai Chi-tao, President of the Examination Yuan. Meanwhile certain revisions in the Draft are learned to have been informally arrived at by members of the sub-committee in question. According to these revisions, several so-called transitional Articles will be incorporated in the Annex of the Constitution in accordance with the general view expressed in the recent discussions held in Shanghai between high government leaders and Dr. Wang Chung-hui. The cardinal points of these revisions are learned to be:

(1) Convocation of the National People's Congress shall be considered the First National Assembly.

(2) District magistrates shall temporarily be appointed by the National Government, and only after the system of local self-government is completed that the magistrates will be elected by popular suffrage.

(3) A number of the members of the Legislative and Control Yuan shall be provisionally elected by the people while the rest shall be appointed by the National Government. When the time is ripe for popular suffrage, all the Yuan members shall be elected by the people. Time for the enforcement of the Constitution, it is learned, shall not be stipulated in the Constitution as it is in the present Draft. The clause "this Constitution shall come into force on the day of promulgation," is to be left out and another clause inserted to state that the enforcement of the Constitution shall be decided by the National People's Congress. With regard to the question of giving the President the power to proclaim emergency orders, additional articles have been inserted into Section I under Central Government, which provides that in case of any emergency or drastic economic changes, the President shall have the right to issue emergency orders with the approval of the Executive Yuan. Another feature of the revised draft is that the tenure of office of the President and Vice-President and delegates to the People's Congress will be lengthened from four to six years. On the other hand, the term of office of the Presidents of the five Yuan and members of the Legislative and Control Yuan will be shortened from four to three years.

Leith Ross Says Confidence in China's Currency Is Well Justified

Excluding risks of any major catastrophe, there seems to be every reason for confidence in the currency of China, said Sir Frederick Leith-Ross, in the course of an interview in Shanghai April 21. He felt, however that as the balancing of the budget inevitably would take some time, China was justified in borrowing to the extent that savings were available.

The British expert denied having any knowledge concerning recent reports of a revival of an economic bloc between Great Britain and Japan and the conclusion of a three-power treaty among Great Britain, United States and China, providing that Great Britain is to make loans to China and the United States is to continue her purchases of silver from this country. Commenting on the plan, if any, of joint assistance to be rendered by Great Britain and Japan for the economic development of China, Sir Frederick is quoted as stating that he has heard of no progress being made in this connection.

Shanghai *Nippo* April 16 said it is reported here that a new loan from Great Britain has been concluded by the Nanking Government, following the negotiations conducted by Dr. H. H. Kung and Dr. T. V. Soong, with Sir Frederick Leith-Ross. "It is said that all details will be concluded by the time Sir Frederick Leith-Ross is ready to leave for England. The Japanese authorities, it is indicated, will take resolute steps against the dishonesty of both Chinese and the British authorities in this connection, if the report proves to be correct."

Government Will Not Give Interest to Foreign Banks in Tientsin for Returned Silver

The Ministry of Finance, in a reply to the foreign banks in Tientsin, refused to give any special interest for the handing over of silver stocks to the Government banks, for the exchange of legal tender notes. In reply, the Ministry explained that the reason for the giving of a special interest to the foreign banks in Shanghai, when they turned over their silver stocks to the Chinese Government banks was the fact that the price of silver in China was far different from that of the price of silver in foreign markets. It cannot be regarded as a precedent for the exchange of legal tender notes by foreign banks.

It was brought to light that the foreign banks in Tientsin could not send their silver stocks, amounting to $4,720,000 to Shanghai for exchange of legal tender notes, because the Tientsin Customs refused to let the banks send away the silver stocks. As a compromise, the authorities permitted the foreign banks to hand over their silver stocks to the three Government banks in Tientsin.

Silver Holders Are Reminded to Turn Over Their Stocks

The Ministry of Finance has sent another circular to all provincial and municipal governments throughout the country asking them to remind the people of the imminent expiration of the time-limit for exchanging their silver dollars for legal tender notes. The time-limit ends on May 3 next. All people who have not yet turned over their silver holdings are asked to do so to the three Government banks before the fixed date.

Rumors which have been gaining currency in certain quarters to the effect that the recent rapid increase of silver holdings in the government banks was mainly due to their purchase of the white metal at a premium were scouted in Nanking, April 20, by a spokesman of the financial circles. The ulterior motive for the circulation of these rumors, the spokesman opined, was to try to discredit the efficacy of the new governmental currency system, hoping thus to cast an unfavorable influence on the Sino-American talks in progress in Washington regarding currency questions. The contention that the government has been feverishly releasing legal tender notes in exchange for silver at a discount is nothing but a malicious fabrication, the spokesman stated.

Sino-American Economic Agreement Denied

The report to the effect that China will join the American dollar bloc or the British Sterling bloc has been emphatically denied by a responsible spokeman of the Ministry of Finance.

"No Loan Negotiations with America"—We Chen-shiu

Wu Chen-hsiu, manager of the Nanking branch of the Bank of China, on arriving in Kobe April 18 en route to Tokyo, said in an interview he proposed to see the presidents of the Yokohama Specie Bank and the Bank of Korea, but denied knowledge of reported loan negotiations between China and America.

Central Bank of China Made a Profit of $9,000,000 in 1935

According to statistics officially released by the Central Bank of China April 16, the bank made a profit of $9,048,339 in 1935.

Restricted Currency Inflation Scheme Not Advocated by Government

The proposals for adoption of a policy of restricted currency inflation—recently aired in the press—represent the personal views of certain economists (Dr. Ma Yin-chu and others), but are not advocated by the Government, a spokesman of the Ministry of Finance stated in Nanking, April 16. Press reports had given rise to the erroneous impression that the policy of currency inflation is supported by the Government, with the result that numerous inquiries had been received at the Ministry, including one from Sir Frederick Leith-Ross, the economic advisor of the British Government.

Tientsin Borrows One Million Dollars

For the construction works in the city, the Tientsin Municipality has negotiated for a loan of $1,000,000 with the banks in the northern city. The tax of $200,000 paid by the Tientsin Street Car Company and the Tientsin Electric Light Company will be placed as security for the loan.

Hopei Has a Debt of $10,000,000

According to Chia Yu-chang, Commissioner of Finance of the Hopei Provincial Government, the annual revenue of the province has been reduced by $700,000 as a result of the abolition of miscellaneous taxes. The total debt of the province exceeds $10,000,000.

Kiangsu Bank Issues $3,000,000 Worth of Subsidiary Notes

With the permission of the Ministry of Finance, the Kiangsu Provincial Bank and the Kiangsu Farmers' Bank are issuing $3,000,000 worth of sudsidiary notes for circulation in Kiangsu province. These notes (in denominations of ten and twenty cents) will be used for the withdrawal of the paper notes issued by the Monetary Bureau of the Kiangsu Province and the extending of financial assistance to the farmers in the province.

Chekiang's Loan Plan Receives Support

Hangchow commercial and financial leaders have reportedly pledged their full support to the plan of the Chekiang Provincial Government for the issuance of $60,000,000 consolidation bonds for the readjustment of old debts.

Nanking Government to Spent $8,000,000 for Conservancy Works

Nanking advices state that the National Government will spend $8,000,000 for conservancy works in 1936-37, which represents an increase of one-fourth of the sum spent in the previous year.

Branch of Central Bank to Be Established in Canton

A branch of the Central Bank of China is to be established at Canton shortly, with Chen Wei-chou, brother of General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, as manager there.

Reported Help for China from Britain and America

An accord between China, Britain and the United States aiming at the maintenance of the Chinese currency at its present parity and destined to facilitate to China the solution of her complex monetary problems will shortly be concluded, as a result of tripartite negotiations now in progress, the New York correspondent of the Paris "Agence Economique et Financiere" reported April 18.

Silver Prices Rise, But Drop Again Considerably

Lengthy telegrams concerning silver were received in Shanghai during the week from all parts of the world. Most of them concerned what was stated to be a sharp rise in the price of the white metal. So far, however, the net rise has been inconsiderable, owing to the fact that there have also been drops. For instance, despite all the talk there was about increase in price, a telegram from London April 20 read: "The price of silver here dropped considerably to-day, the price being for spot, 20½ d., a drop of 3/8d from the previous day." This quite wiped out a telegram from London on April 18, which stated that "stimulated by hopes in connection with the present Sino-American silver talks, a speculative buying wave today carried silver up a further one-eighth of a penny for spot and one-sixteenth for forward. India is estimated to-day to have taken 3,000,000 ounces of the metal, and it is believed that the Chinese Government appeared as the chief seller."

Imports of silver into the United States during the week ended April 10 totalled $1,165,000, showing an increase of $379,000 from the previous week.

Movements of silver in the United Kingdom during the week ended April 15 were substantially lower than the previous week. Exports during the period under review totalled £33,000, compared with a total of £280,000 last week, which included £269,000 to British India.

Reflecting the steady rise of silver quotations abroad, the Japanese price was raised April 17 by the Suiyokai, Metal Dealers' Association, by Yen 0.30 to Yen 49.107 a kilogram.

Hongkong Ships Silver to London

The Colonial Treasury shipped silver dollars to London and Bombay April 17 in the P. and O. liner *Naldera*. The consignment, it is revealed, is valued at $5,000,000.

From a General to a Monk

BY T. S. YOUNG

FROM a general to a monk is really a long distance off. It may be as far as that from the earth to the heaven. This analogy may have another sense in this application. A general—a very familiar figure to us—is an indefatigable seeker of any form of temporal pleasures, which are taboos to a real monk, who, on the contrary, sets his heart to the acquisition of spiritual consolations, with the belief that by sincere penitence and self-negation, he may win the mercy of God and secure the key to Paradise. Therefore, in one sense, it is tantamount to a journey from the earth to heaven for a full-fledged general to take up the holy order of a Buddhist monk.

To link those two persons together is indeed illogical, inasmuch as they stand on the opposite ends of our long social ladder, and move separately in their own respective circles without intercourse with each other. A general is an all powerful person, who, a with personal army under his command and the provincial treasure at his disposal, is virtually a lord of his governed territory; while a monk is nothing but a social outcast, who ekes out his living on the charity of others, by doing odd jobs as a "comforter" of departed souls.

The former indulges in mundane pleasures which this world offers and which his wealth can afford; while the latter lives a somewhat secluded life, and forgets or tries to forget worldly cares and attractions by chanting and knocking at a "wooden fish." The one, driven by his wide ambitions, is disposed to forget his own conscience and play all sorts of dirty tricks and intrigues for the purpose of satisfying his lust for power and wealth; whik the other, resigned to his fate, assumes an air of indifference to anything temporal, and looks forward with great expectations to a world from which no traveller ever returns.

The contrasts of these two persons are too great to be compared. But many of our big generals, at the evening of their life or at the ebb of their political fortunes, have climbed down from the top rung of the social ladder, and condescended to rub shoulders with the monks and serve the latter in the capacity of their disciples. They have learned to chant the prayers, listened with attentive ears to the discussions on philosophy and life expounded by the monks, and attended the religious ceremonies with great enthusiasm. A few of them have even gone so far as to shave off their hair and pass the rest of their life in a temple.

The Influences of Buddhism

Many of the surviving warlords and politicians of the old regime have had in Tientsin their own exclusive religious hall, where they have had regular meetings to pray and listen to the lectures given by some noted monks. At one of its meetings, it may be recalled, Gen. Sun Chuan-fang, erstwhile powerful overlord of Kiangsu, met his unexpected and tragic death. Even the modern generals are not immune from the influence of Buddhism. Gen. Chiang Kwang-nai has recently been reported as having his head shaved and becoming a monk in the Pai Keh Kwan Temple at Lofau Mountain in Kwangtung province. According to the vernacular press, Gen. Chiang, since his retirement to his home in Tungkuan Village, Kwantung province, made several visits to Lofau Mountain, where he became acquainted with the chief priest of the Pai Keh Kwan Temple, and after many long discussions on philosophy and life, he decided to give up his profession and become a monk.

Gen. Chiang is not a strange person to us, as he is no other than the Field-Commander of the former 19th Route Army, who achieved a world-wide fame for putting up a heroic resistance against the Japanese invaders during the Shanghai War in the Spring of 1932. Although he has lost much of his popularity since his active participation in the abortive Fukien Rebellion, his name, however, is still on the lips of his many admirers. In the last few years, little has been heard of his doings. What prompts him to forsake the mundane world and seek his refuge in a temple is not known; but one thing is certain, that if the news report can be trusted, the famous commander of Shanghai defenders has definitely written finis to his political career.

The reason why many of our big generals are especially susceptible to the influence of Buddhism is still to be explained. It occasions us no surprise that many of our women, young and old, should frequent temples, offer sacrifices, burn incenses, and keep fast days. They are the called weak sex, and therefore are exposed to such weakness. But in case of men, they are expected to be strong enough to resist superstitions and ignore what is in store for them in after-life. It sounds, therefore, unbelievable that many of our generals who, in the prime of their life and at the height of their political power, would bleed the people white without mercy and drive their mercenary soldiers to the mouths of cannon without hesitation, should, at the evening of their life, become so weak and feeble as to surrender themselves totally to superstitions and beg the mercy of God.

It proves that there are yielding moments even in the lives of the fiercest and sternest men. An old saying has it that when a person is dying, his words are always kind and considerate, and when a bird is dying, its chirps are in melancholy tone. A strong and healthy young man usually does not feel the mute appeal of a grave, and has no time to think of the possible events of after-life. But when his hair turns white and Death casts its ominous shadow over him, he will begin to shudder even at the sight of an empty coffin with the fearful thought that the Day of Judgment is drawing near. Seized by this fearful thought, he will live in a state of great suspense; and for the purpose of easing up his conscience, he will take great relish in consuming spiritual food, and follow any suggestions by which he will be able to seek the salvation of his soul.

A State of Suspense That Must Be Painful

To those who have been aware of their own past unsavory records this state of suspense must be very painful. At the height of their political power, they may kill the people by thousands, they may ransack and burn down the whole city, and they may slaughter hundreds of pigs on a single birthday celebration. In a word, they may do everything for self-aggrandizement and self-glory. But at the threshold of Death's Door, they, with guilty conscience, will not even have the heart to peep into a strange world, where they must go as their poor and down-trodden fellow human beings have gone. If the legend is true, they, as others, will have to be tried before the King of Hades, who keeps a detailed account of good and bad deeds committed by every human being in life-time. It is said that nothing can be concealed from this Immortal Judge, because he sees all and knows all, and that neither influence nor bribery can change his judgment, which is speedy and impartial.

How can the persons with guilty conscience face this Immortal Judge without fears and trepidations? Conscience makes them cowards, cowardice begets fear, and fear drives them to desperation. In desperation, they have to be penitent and kow-tow before God for mercy. In these hours of remorse, they have come to realize that the big name they have made will not strike terror to the heart of the ruler of the nether region, and that the large wealth they have "squeezed" can not be brought by them into the grave. At the eleventh hour they hasten to dress themselves in cassocks with the hope that by this conversion, while they may not go up to the Paradise, they will at least be saved from being condemned into the Hell.

In desperation, a person will likely "embrace Buddha's feet" and pray for mercy. In the same way, many of our generals, conscience-stricken, will lay down their bloody swords in exchange for rosaries, as if this change alone with be enough to redeem their past misdeeds and clean up their dirty slates. Under the spell of remorse, ferocious tigers have become meek lambs, and submissively followed the lead of shepherds, who, in this case, are no other but the monks. What a curious spectacle it is!

Our young generals and officials should draw a lesson from this curious spectacle. Instead of "embracing Buddha's feet" when Death frowns upon them, they had better prepare themselves beforehand. Life is short, and sooner or later every one will meet the same fate. At the height of their political success, they should not abuse their power to gain their selfish ends and rob the people as highway robbers. Then at the evening of their life, when they have no guilty conscience and no fear to face any Immortal Judge, they need not cut a sorry figure by making desperate appeals to God for mercy. If God has eyes, He will certainly spurn the appeals of those who in their successful days have never shown any mercy to their fellow human beings.

"Foreign Policy" Writer Sums Up Situation in Europe

Raymond Leslie Buell, in a recent *Foreign Policy Bulletin* commented:—"Pessimists predict that, despite its strong sanctions stand against Italy, Britain will decline to assume specific commitments with regard to Central and Eastern Europe; that France will refuse to undertake any negotiations with Germany until its troops are withdrawn from the Rhine; that Italy will defeat any attempt at European appeasement unless its aspirations in Ethiopia are realized; that Nazi Germany is determined to fight the Soviet Union and dominate Central Europe. Possibly the pessimists may prove to be correct; if so, the world will soon witness another general war. On the other hand, if wise statesmanship and a sense of moderation prevail, the year 1936 may see the present crisis liquidated and the prospect of a more enduring peace greatly enhanced."

London Views Proposed German-Japan Alliance with Apprehension

The London correspondent of Moscow *Pravda* stated April 8 that reports were circulating in London, regarding the forthcoming signing of a military alliance between Germany and Japan, had penetrated into the press. The *Daily Telegraph* devoted a special article to this problem. The military cooperation between two such aggressive powers as Germany and Japan undoubtedly are regarded in London with grave apprehension, it was stated.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.15	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.44	5.47
16.04	16.19	PENGPU	6.23	6.38
13.55	14.00	NANHSUCHOW	8.42	8.47
11.41	12.11	HSUCHOWFU	10.35	11.05
9.58	10.13	LINCHENG	12.50	13.05
9.10	9.13	TENGHSIEN	13.57	14.00
7.35	7.50	YENCHOWFU	15.27	15.47
7.12	7.14	CHUFOU	16.12	16.14
5.33	5.43	TAIANFU	18.00	18.15
3.03	3.33	TSINANFU	20.15	20.45
1.41	1.49	YUCHENGHSIEN	22.05	22.15
0.08	0.20	TECHOW	23.55	0.25
22.28	22.36	POTOUCHEN	2.12	2.22
21.29	21.39	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	6.55
17.59	18.20	TIENTSIN (E)	7.05	7.30
—	15.05	PEIPING	10.24	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.16	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.36	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	8.30	17.25	SHANGHAI, N.	d.	8.35	15.00
HANGCHOW	d.	8.47	17.42	JESSFIELD	d.	8.51	15.16
CHANGAN	d.	9.40	18.43	SICCAWEI	d.	—	—
YEHZAH	d.	10.11	19.14	SHANGHAI, S.	d.	8.40	—
KASHING	d.	10.42	19.45	SUNGKIANG	d.	9.36	15.56
KASHAI	d.	—	20.13	KASHAI	d.	10.23	—
SUNGKIANG	d.	11.45	20.52	KASHING	d.	10.44	16.58
SHANGHAI, S.	a.	—	21.55	YEHZAH	d.	11.18	17.32
SICCAWEI	d.	—	—	CHANGAN	d.	11.46	18.00
JESSFIELD	d.	12.32	21.47	HANGCHOW	d.	12.36	18.50
SHANGHAI, N.	a.	12.45	22.00	ZAHKOU	a.	13.05	19.15

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.20	16.00	23.00	NANKING	d.	8.20	17.05	23.00	24.00
SOOCHOW	d.	9.27	14.47	17.51	0.57	CHINKIANG	d.	9.36	18.20	0.49	1.40
WUSIH	d.	10.17	15.36	18.46	1.57	TANYANG	d.	10.18	18.59	1.45	2.33
CHANGCHOW	d.	11.01	16.21	19.39	2.53	CHANGCHOW	d.	11.03	19.44	2.50	3.32
TANYANG	d.	11.51	17.11	20.33	4.13	WUSIH	d.	11.49	20.30	3.52	4.32
CHINKIANG	d.	12.30	17.45	21.18	5.00	SOOCHOW	d.	12.36	21.17	4.55	5.34
NANKING	a.	13.50	19.15	22.50	7.00	SHANGHAI, N.	a.	14.15	22.50	7.00	7.40

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

1st class passenger	80 kilogrammes (142 catties)
2nd class passenger	60 Kilogrammes (100.5 catties)
3rd class passenger	40 Kilogrammes (67 catties)

Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Should China Cease Squabbling with Soviets and Adopt Policy of Cooperation?

BY C. Y. W. MENG (孟長泳)

ON March 12, 1936, a Pact of Mutual Assistance between the U.S.S.R. and the Mongolian People's Republic was signed at Ulan-Bator by the Plenipotentiary of the U.S.S.R., Tairov on one side, and the Chairman of the Small Hural of the Mongolian People's Republic, Mr. Amor, and Premier and Foreign Minister of the Mongolian People's Republic, Mr. Guendun, on the other. China at once protested on the ground that the conclusion of the Agreement constitutes "without doubt an infringement of the sovereignty of China and a violation of he stipulations of the Sino-Soviet Agreement of 1924." Moscow replied that "neither the fact of the signing of the Protocol, nor its separates clauses, violate in the least measure the sovereignty of China"; and further drew an analogy between the present Protocol and the Mukden-Soviet Agreement signed on 20th September, 1924. But China entered another protest with Moscow, and pointed out *inter alia* that the "signing of the Mukden-Soviet Agreement could not be regarded as a precedent for the present Protocol." Moscow's reply to China's second protest is said to be very brief and couched in conciliatory terms, merely upholding that the Protocol bears no prejudice to China's sovereignty. What Nanking will do next, whether there will be a "third protest," we do not know when these lines are written. But by exchanging "protests and replies," we know that Nanking and Moscow are "bickering" over Outer Mongolia.

A Very Short-Sighted Policy

In 1929 China and Russia entered into dispute over the C.E.R. (Chinese Eastern Railway). China alleged that the Soviet general manager and assistant general manager of the C.E.R. and officers of the Soviet state enterprises in China were representatives of the Third International; that the aforesaid Railway was being used as a vantage point not only for the dissemination of Red propaganda with funds appropriated from its revenue, but also the disruption of China's efforts at unification and the disintegration of the National Government; and that the secret plans were being fomented to destroy the said railway and assassinate important Chinese officials so as to bring about a world-wide revolution, etc. In the circumstances, China was constrained to dismiss the Soviet general manager as well as the Soviet assistant manager and take control of the whole line on July 11, 1929, as an emergency measure. On July 13, Moscow sent an ultimatum to the National Government demanding that a reply be given within three days, failing which they would begin military operations. As Nanking's Note of July 16 was not considered satisfactory, Moscow sent a "Second Note" to Nanking, more menacing than the first. The "Sino-Russian Undeclared War" broke out, and not only were casualties sustained by Chinese troops, but there was were heavy loss of life and property among the civilian population in the invaded territories.

But does the "dispute" do any goud to China or Russia, or both? The answer is decidedly "No." The "dispute" only demonstrates the weaknesses of both China and Russia, and convinces Japan—the traditional aggressor of China, and the traditional rival of Russia—that (1) Nationalist China and Communist Russia could never get along with each other; that (2) in the event of Japanese attacks on Chinese territories, Japan need not worry that Russia would come to China's assistance, and that (3) in the face of foreign aggression, China will not take any measures other than self-defence, inspite of "extreme provocation." So, taking the advantage that China and Russia were then at loggerheads and that Sino-Russian diplomatic relations were completely broken off, Japan started the attack on Mukden on the fatal night of September 18, 1931. This is exactly in conformity with what the Chinese proverb says that when "a fish and crab are resisting each other, the fishman can profit himself," by taking both of them at one time! So from the standpoint of the interests of both China and Russia, and in view of the existence of the "aggressor" and "rival," whether China and Russia should get into dispute is a problem which should give a great deal of food for thought for both the Chinese and Russian diplomats!

It is a great pity indeed that China does not realize that although Russia and Japan are aggressors, China must choose and make friends with the one less aggressive to China, and that the very keen rivalry which is existing between Russia and Japan offers ample room for the Chinese to exercise diplomacy to seek for her existence. But China does not seize the chance. On the contrary, China is willing to make enemies with both. At present, China is having a dispute with Japan over Manchuria and North China, and at the same time, she is having another dispute with Russia over Outer Mongolia. China has two powerful and aggressive neighbors, but China makes enemies with both at the same time. Whether this is advisable, and whether this is a short sighted policy and really a blunder, should give much food for thought for the Chinese diplomats.

Russia was the first power which relinquished all special privileges in China. But the Chinese leaders did not grasp the chance to demand and insist on the abrogation of the "Unequal Treaties" and the abolition of "Extrality," with other western powers by threatening to go over to the Reds, if the Powers failed to meet the Chinese legitimate aspirations. Sino-Russian diplomatic relations were restored after the Japanese invasion of Mukden. But China did not take steps to make the restoration of diplomatic relations with Russia more "significant" and "useful" than an ordinary diplomatic procedure in conformity with international usages. The Russo-American diplomatic relations were restored almost at the same time after 16 years of rupture. But China did not take advantage of this to effect "Sino-Russo-American Co-operation" in the Far Eastern situation. Whether this is advisable, and whether this is another short-sighted policy and really a blunder should give much food for thought for the Chinese diplomats!

Japanese Policy of Isolating Russia

Today, we find the Japanese are in occupation of the Three Northeastern Provinces (Manchuria), Jehol, and part of Chahar; and are virtually in control of Hopei and Chahar. To Japan, the first stage of the military conquest is already accomplished. The problem before the "invaders" is not about Chinese resistance, but more about the possible Russian "reactions." When the Japanese aggression comes to Manchuria, Moscow might contend that it is the Chinese problem. When the Japanese aggression comes to Jehol and Chahar, Moscow begins to worry. But when the Japanese aggression comes to Inner Mongolia, Moscow has to lose her patience and takes up arms to block the further advance of the "invaders." In the Japanese eyes, this Northern Bear is the "blocking stone" to the Japanese Continental Policy. So the Japanese latest "New Policy" is formulated in such a way so as to consolidate themselves in Manchuria and North China, and to establish more close relations among China, Japan and Manchukuo, on one hand; and to cope with the Russian "reactions" on the other.

The "first Point" of the Hirota 3-Point Program provides that: "China should abandon her policy of 'bidding one barbarian against the other." By this, Japan demands that China should not join with Russia or any other power to oppose the Japanese aggression in Asia. The "Third Point" provides the taking of "joint and effective measures to prevent communism." By this, Japan demands that not only China should join with Russia, but China should join with Japan to fight with Russia.

According to a reliable report from Tokyo, Japan's "New Foreign Policy" or Arita's policy may be summed up as follows:—

1. Direct negotiation shall be opened with the Hopei-Chahar Political Council over North China Problems.
2. Assistance shall be given to the Hopei-Chahar Political Council, culturally, politically and militarily, to make the extension of its power possible and to have "more close relations with Japan."
3. Formal negotiation shall be opened with the National Government to seek earnestly for the readjustment of Sino-Japanese "economic relations," particularly the revision of Chinese customs tariffs. All other matters, political as well as military, may be taken up later.
4. When the readjustment of "economic relations" is accomplished, the next step is to realize the formation of a "China-Japan-Manchukuo Customs Union."
5. Japan may not force China to recognize the existence of Manchukuo, but Japan will in the least measure demand that China grant an "implied recognition" of Manchukuo, and participate in China-Japan-Manchukuo Customs Union or "economic bloc."
6. The taking of common actions to prevent the communists shall be preceded by the formation of a China-Japan-Manchukuo economic bloc. Steps shall be taken to urge the authorities to take common and effective measures to prevent communism to North China "from Outer Mongolia and Singkiang."

From the above, it is very clear that the Japanese want to consolidate themselves in North China (Points 1 and 2); to establish more solid economic relations among China, Japan and Manchukuo (Points 3, 4, and 5), and prevent China from going over to Russia for assistance (Point 6). So Tokyo was willing to propose to Nanking to abolish one of Japan's puppets (Eastern Hopei Government) in exchange for an "Anti-Soviet Pact" with China.

German-Japanese Alliance

Today, we hear very much also about the German-Japanese Alliance. Although the full text of the German-Japanese Alliance will not be known for many years to come, present events show that the existence of the Alliance is almost unquestionable. It is reported that Germany and "Manchukuo" will exchange machinery and soy beans with each other, while Germany and Japan

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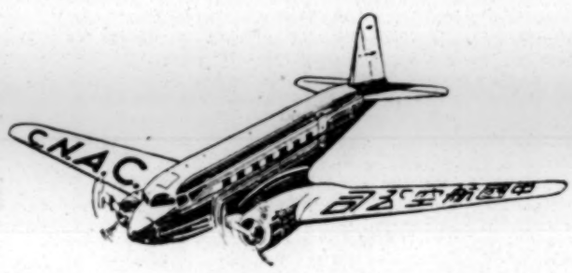
Chungking-Kweiyang ...	2 Hours
Shanghai-Peiping	6 Hours
Shanghai-Canton	8 Hours



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will agree to jointly undertake the task of constructing railways in Inner Mongolia. Dr. Otto Kiep, head of the German Economic Mission to the Far East, left Shanghai on April 5 aboard the S.S. *Empress of Canada* for Japan. His departure was kept abolutely "secret." Only two days ago he told local pressmen that he had not yet decided when he would leave Shanghai for Japan and denied that he was contemplating taking a trip to Manchuria. It is understood that the purpose of his trip to Japan is to negotiate for the trading of German machinery for soy beans in Manchuria. After the outbreak of the "military coup" in Tokyo on February 26, the consensus of world opinion was that the coup was caused by the rise of militarism and Fascism in Japan. But the Berlin papers alone opined differently. They pointed out that the military coup in Tokyo was caused by "Russian military expansion in the Far East." All these tell clearly of the "mutual sympathetic understanding" between Germany and Japan and the "common hatred" of Russia.

By allying herself with Germany the Japanese purpose and intention are not necessarily to invoke a war between Germany and Russia, for the danger is that a war with Russia will certainly involve France, as it was the case in 1914. What Japan wants and needs today is not a war bewtween Germany and Russia, but rather to make Russia unable to fight with Japan by making friends with the Russian's traditional enemy; by making Russia feel uneasy on the western border, and by making the Germans promise to assist Japan in the emergency. As most observers know, so long as Russia is not free from any difficulty from the west, it is physcially impossible for her to pay more attention to Far Eastern affairs, and to adopt any "firm policy" towards Japan. Thus, we see, not by a bloody war but by diplomacy, Japan has already "paralyzed" Russia entirely, and has already removed this "blocking stone" on the Japanese "march" to the Asiatic Mainland.

Would China be Able to Break Through Japan's Policy of Isolating Russia?

This is to say the purpose of concluding the Anglo-Japanese Alliance in 1902 and the German-Japanese Alliance today is the same—that is, it intends to hit Russia. In the former case, Japan wanted to isolate Russia and to separate Russia from her ally; but in the latter case, Japan wants to paralyze Russia strategically, to make Russia unable to put up a "fight" with Japan, much as they would like; and to make Russia cease to be the "blocking stone" to the Japanese "Continental Policy." But as stated before, the Anglo-Japanese Alliance was concluded in 1902, and the Russo-Japanese War broke out in 1904. The Anglo-Japanese Alliance was renewed in 1908, and the annexation of Korea took place in 1910. Will the conclusion of the German-Japanese Alliance mean the annexation of Manchuria, Jehol, and other northern Chinese Provinces, and the Japanese occupation of Outer Mongolia? Indeed, whether Japan will be able to isloate Russia and paralyze her from being able to put up a fight against Japan, and from being a blocking stone in the Japanese march to the Asiatic Mainland will probably decide whether the Japanese "military adventure" in Asia will be totally a success or a failure at the end. On the other side, whether China will be able to break through the Japanese policy of "isolating" and "parlyzing" Russia from taking any reaction will probably decide whether China will be saved or will be eventually conquered by Japan.

Only a Diplomatic "Procedure"—Or a "Blunder"?

Such is the situation before China and Russia. Under the circumstances, whether China and Russia should have another "dispute" over Outer Mongolia gives indeed much food for thought for the Chinese and Russian diplomats. As observers know, Outer Mongolia has been under the Russian influence for quite many years. We remember that when the air-service between China and Germany was firrst opened and when the plane passed over Outer Mongolia, it was shot down by the Mongolians. Instead of lodging a protest with Nanking, Berlin lodged a protest with Moscow. As far as we remember Nanking did not take up the matter seriously. Why then should we take up this matter so seriously with Moscow in the time when the Sino-Japanese crisis is very acute, and in the time when at "Second" Russo-Japanese war already is on the verge of breaking out?

But on the other hand, inasmuch as Outer Mongolia is still under. Chinese sovereignty, and the Russians did conclude a Protocol with Outer Mongolia, China should protest. But such action should be only a matter of diplomatic procedure in conformity with the ordinary usages. Let the Sino-Russian bickering over the Outer Mongolian Protocol not destroy our "common desire of protecting Outer Mongolia;" nor to impair the "Sino-Russian co-operation" to oppose our common enemy in Asia. If our action stops with protests without impairing our friendship with Russia, it is a "wise action," and it is only a diplomatic "gesture" which we agree that Nanking should take. But it will be a "blunder" if the bickering is allowed to be developed into a real issue to enable the Japanese to fish in troubled waters, in isolating Russia, not only in the West through the German-Japanese Alliance, but also in the East by taking advantage of Sino-Russian bickering over the Outer Mongolian Protocol to split China and Russia and to kill all hope for the Sino-Russian "co-operation" which is so essential in relieving ourselves from our crisis.

Nanking April 19, 1936.

"Japan Climbing Tree-Tops to Catch Fish;" Hankow Daily Flays Japanese Military Attache's Attitude Toward China

BY THE REVIEW'S HANKOW CORRESPONDENT

WHILE maintaining that the Chinese people are not anti-Japanese, strictly speaking, the *Hankow Herald*, a Chinese-owned English daily, insists that "The Japanese, as a race, are quite likeable," and "there is no reason why we must hate Japan. And we don't hate her." However, there is something that the Chinese cannot overlook, and that is the policy of the Japanese Government in relation to China.

Major-General Seiichi Kita, the newly appointed military attache to the Japanese Embassy at Peiping, was most severely criticized for his callous attitude toward China. The Hankow *Herald's* editorial for April 19 makes a strong case against him: "If Japan is really trying to maintain the peace of the Orient by insisting upon her three-point program, she is asking for the impossible: to use a Chinese proverb, she is 'trying to catch fish by climbing to the top of the tree.' As to cooperation with China, the kind of cooperation she has been talking about sounds too much like one-sided love, which, to say the least, is disgusting."

The solution of the conflict with Japan is for Japan to return to China "the territories she has seized" and the newspaper prophesies that "the two countries will become such great friends as they have never been before."

In conclusion, the editorial states that "China is not pro-Soviet. She is not pro-anybody. But she is wise enough to know the difference between true friendship and imperialistic aggression. This is a truth which must be clearly understood by all Japanese diplomats, General Kita being no exception."

50,000 Welcome the Generalissimo at Chengtu

Governor Liu Hsiang and a crowd estimated at 50,000 welcomed General Chiang Kai-shek at the Chengtu airport, April 17. The largest turnout he has ever witnessed in Szechwan comprised every walk of life, students, soldiers, merchants, Government officials. Many had been standing waiting all morning and until the Generalissimo's plane landed at 4.30 in the afternoon. Genuine enthusiasm seemed to prevail and one rousing cheer after another arose from the milling crowds.

The next morning there was a ceremony at the Central Military Academy at which General Chiang presided. Representatives of the provincial and municipal governments were present, besides college presidents and professors and school principals. The Generalissimo has a happy faculty of winning the confidence of college presidents and professors and school principals. The Generalissimo has a happy faculty of winning the confidence of modern Chinese youth. This should prove to be one of his highest assets in any given national crisis.

Hupeh Delegates Preparing for Nanking Reform Meet

Civil Affairs and Educational officials of Hupeh province are making preparations to attend the reform meet in Nanking early in May. Called by the Generalissimo, Chiang Kai-shek, the reform meet is to be mainly political in complexion. Besides Hupeh, nine other provinces have been asked to send delegates: Kiangsu, Anhwei, Chekiang, Kiangsi, Hunan, Fukien, Shantung, Shansi and Honan.

Bandit Problem Not Serious in Hupeh, Says Gen. Ho

The worst danger has been overcome, General Ho Cheng-chun, Pacification Commissioner of Hupeh, told the press on April 16, when discussing the bandit suppression work in Hupeh. The fact that the bandits have so many caves and mountain lairs gives them some measure of security in spite of the fact that the Government troops are pursuing them continually.

The Red Bait

In many of the border districts along the Honan border the Hupehese farmers have been reduced to poverty due to floods and famines. It does not take much persuasion on the part of the Reds to convince these innocent farmers that the communist program will give them a full stomach. The wish is the father to the thought and reinforces it.

Why the Bandits Have Not Been Exterminated

Due to the greater need of troops in other provinces, the soldiers pursuing Reds have sometimes been transferred to other areas on short notice. This has not led to continuity in the fight against the Red forces. At least this is one of the contributing factors in keeping the Reds and their armies intact, Gen. Ho concluded.

Bosshardt, Swiss Protestant Missionary Released

The Reds, who under Ho Lung and Hsiao Koh, have been trying to penetrate to Kunming (Yunnanfu) are said to have changed their policy of capturing foreigners as often as possible. Frustrated in their attempt to march on the capital city of Yunnan province, the Reds have released Rev. R. A. Bosshardt. Held by the Reds for 18 months, the hard-working missionary regained his freedom and has been convalescing and resting in Yunnanfu with friends. His wife has flown from Shanghai to be with him. Bosshardt is a member of the China Inland Mission.

Reds Are Reported To Have Changed Policy

In regard to the capture of foreigners the Reds of Ho Lung are reported to have announced to Rev. Bosshardt that they will in future not take into custody any foreigners. However, most of the foreigners do not expect to try out their new revised regulation. In case it should mean anything, it could only point in the direction of some secret alliance with Russia. Many are the Japanese that believe that.

Gen. Ting Reports to Governor Yang of Hupeh

Arriving in Hankow, General Ting Ping-chuen, Commander of East Hupeh Anti-bandit Troops, reported on the inspection he had made of the troops in the eastern and southern areas in Hupeh. He alleged that the bandits have been broken up into four bands and that their total number is 800 with 500 rifles. Gen. Ting's troops are supposed to clear up the situation in the near future.

Hankow, April 20, 1936.

Is the Japanese Claim for Land Ownership in Amoy Valid?

The Editor, *China Weekly Review*:—

According to the Chinese press of April 21, the negotiations between the Chinese Government and the Japanese Consulate in Amoy over the question of perpetual lease for land holdings of "Japanese subjects" are still pending, but the rights and wrongs of the case already seem to be very clear.

To put the case very briefly. There are over 15,500 Fukienese in Amoy who have for some time or other resided in Formosa and have thus become Japanese subjects. In the eyes of the Chinese law, however, they are still Chinese subjects. Many of them, since their return to Fukien, have acquired land holdings in Amoy, and that very easily by virtue of their racial and other ties with the native inhabitants of that province. They speak Chinese and retain their Chinese names, and this fact alone should have enabled them to deal with their Chinese brethren without the latter ever questioning the legality of their deals or even suspecting their dual nationality.

These "Japanese," like other foreigners, enjoy extraterritorial privileges, and yet at the same time own real property within Chinese territory, which is forbidden to other foreigners. The Japanese contention seems to be that they should continue to enjoy extraterritorial privileges without giving up the right of land ownership, whereas the truth is that legally they must relinquish either the one or the other. In other words, if they admit themselves to be Chinese in order to retain their land holdings, they must give up their Japanese nationality, or, on the other hand, if they want to retain their Japanese nationality and extraterritorial privileges, they must give up their land holdings. The privileges of foreign nationality and the right of land ownership are mutually exclusive.

The Japanese Consulate seems to take its stand on the land acquisitions being a fait accompli. Now, fait accompli is a perfectly sound plea for certain acts under certain conditions, but not for all acts under all conditions. In recent years, however, this alibi seems to have been greatly abused in international dealings and controversies. And, if no limit is put to it, there is almost no action in the world which may not be committed with impunity. All one had to do would be to perpetrate something and then plead the two words in justification of it.

Aside from this, there is the question of vested interests to be considered on the side of the "Japanese subjects." It must be admitted that as a matter of principle vested interests should be respected as far as possible. But, in this particular instance, it would seem that the interests of individuals cannot by any means be weighed against the sovereignty of a whole nation. If the interests of the "Japanese" landholders must be respected, there would still be the possibility of offering suitable compensation for the relinquished holdings.

It is estimated that these "Japanese subjects" form about one-tenth of the total population in Amoy, therefore their claim for the right of land ownership seems to be of great moment to the destiny of that city or of the whole province.

At the same time a elegram from Hongkong dated April 20, published in the vernacular press of April 21, states as follows: "The smuggling company established in Fukien by citizens of a certain country was originally capitalized at $1,000,000. Since its branches have been opened in Amoy, Swatow, Foochow and other localities, the business of smuggling has been enjoying a boom. The capital has now been increased to $3,000,000, and the smuggling activities have been extended beyond the Fukien province into Canton and other districts. ....."

All this seems to lend color to the belief that grave danger is lurking in South China.

Shanghai, April 21, 1936. M. T. YEN 之茂顏

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President Quezon Investigates Japanese Land Problem in Mindanao

President Manuel Quezon of the Philippine Commonwealth, returned to Manila last week after a visit to Davao, Mindanao Island, to investigate the bitter controversy over the validity of leases held by Japanese settlers there. Kiyoshi Uchitama, Japanese Consul-General at Manila, flew to Davao especially to be present at the time of the President's visit.

Senor Quezon was accompanied by Senor Eulogio Rodriguez, Secretary of Agriculture and Commerce, who has advocated the purchase of the land held by Japanese for $5,000,000. Japanese consular officials contend that the interests of their nationals are five times that figure.

Thirteen thousand Japanese are stated to control more of than one-half of the 164,000 acres of arable land. This land, it is charged is being held illegally through sub-leases public lands, originally leased by Filipinos and Americans. Filipino officials admit, however, that it is known that a question exists as to whether the terms of the original leases were actually violated. The issue has been discussed intemittently for more than a year.

Pointing out that several thousand Japanese had perished during the past 30 years to make Davao as productive as it is today, a spokesman for the Foreign Office in Tokyo, April 13 delared that the Tokyo government "hopes and trusts" that the Philippine Government will recognize and respect Japanese vested interests in Mindanao Island. Many Japanese lives he added, were sacrifced in fighting aborigines, while vast sums of Japanese money were invested in developing the district as an agricultural avea.

Washington will be consulted, official circles in Manila anticipate, with a view to finding a solution of the controversy between Japan and the Philippines over the validity of leases held by Japanese settlers in Davao. The Japanese proposals for a solution of the problem are, it is understood, unacceptable to the Philippine Government. They included a suggestion that Japanese settlers should be allowed to retain lands acquired under allegedly illegal leases until their expiry, with the option of renewal for another 15 to 20 years.

Gaimusho Denies Davao Interview Report

Filipino press reports alleging that sharp words were exchanged in an interview between Manuel Quezon, President of the Philippine Commonwealth, and Kiyoshi Uchiyama, Consul-General in Manila, in Davao on April 10 were described by a high Gaimusho official in Tokyo April 17 as "absolutely groundless."

"A report received from Mr. Uchiyama," he said, "indicated that the interview was very brief, but not fruitless. Mr. Uchiyama and Mr. Quezon agreed to discuss the question of Japanese land leases in Davao on the latter's return to Manila.

"On receipt of the report, the Gaimusho has notified Mr. Uchiyama of its deep interest in the Davao question. The negotiations on the issue have just started, and we shall continue to pay great attention to the matter."

Rafael R. Alunan, president of the Philippine Sugar Association and a political leader, arrived in Kobe April 16 accompanied by his family for a four week pleasure trip to Japan.

Filipinos in U. S. Are Being Repatriated

More than one hundred Filipinos sailed from San Francisco April 18 for Manila, the first group to take advantage of the Repatriation Act. They are being returned to the Philippines at the expense of the U.S. Government. Immigration officials said that relief funds had been made available to transport the repatriates from Manila to their homes in the outports.

Dr. Ma Yin-Chu Urges Imposition of Income Tax

Dr. Ma Yin-chu, Chairman of the Finance Committee of the Legislative Yuan, in Nanking April 11 reiterated his original opinion that the main source of revenue should be the Income Tax, which the Government should impose without further delay. With regard to the proposal for the imposition of the Land Increment Tax (*Tu-Ti Tseng-Chih Shui*), Dr. Ma said that the revenue from this source is likely to be limited, as shown by the experience of Germany during the World War.

As to the proposal for appealing to the people to voluntarily place their wealth at the disposal of the State, Dr. Ma said that this can be successfully enforced only when the patriotic fervor of the people is at highest pitch.

After discussing various kinds of taxes. Dr. Ma said that, personally, he is of opinion that, during the period of extraordinary national emergency, the Government should depend, for its main source of revenue, upon the Income Tax (*So-Te Shui*), which he hoped the Government would immediately put into effect. Besides authorizing a limited currency inflation and issuing a few domestic loans, the Government may also utilize foreign capital to meet its financial needs, or declare a moratorium on existing foreign loans.

General Terauchi to Call for Army Budget Increases

Soviet Russia's military preparations on Manchukuo's borders and in Siberia will be given by Gen. Count Hisaichi Terauchi, War Minister, as the main reason calling for higher Army appropriations in the 1936-37 budget, in a report to be made soon to representatives of the two Houses, as well as to parliamentarians-reservists, advices from Tokyo state. The growth of Soviet heavy industries in Siberia, the successful conclusion of the third Five-Year Plan, the electrification of Siberia and the general uneasiness in the Far East will be named specifically by the War Minister as factors requiring increased Army expenditures.

Support and understanding of the Army's policies were asked April 20 by General Terauchi at a reception to representatives of the powerful Exservicemen's Association, at the Gunjin Hall.

Ugaki and Terauchi Confer on Border Defense

The defenses of Korea's borders with Soviet Russia and Manchukuo were discussed Apr. 16, at an hour's interview between Gen. Count Hisaichi Terauchi, War Minister, and Gen. Kazunari Ugaki, Governor-General of Korea. Gen. Ugaki has also expressed his deep regret at the mutiny of Feb. 26, the nature of which was explained to him in detail by the War Minister.

Other issues discussed by the two officers included the construction of harbor facilities in Rashin, North Korea.

Despite the denials issued by Gen. Ugaki himself and high Government officials, political circles continue to maintain that his resignation is only a matter of time.

Japanese Navy Suggests National Policies

A seven-point program designed to prepare Japan for the conditions which will follow the termination of the Washington Naval Treaty on Dec. 31 was advanced by high officials of the Navy Office in Tokyo April 19. The main points of the program provide for the replenishment of Nippon's naval effectives, to keep up with the projected naval building by the United States and Great Britain, and for the inauguration of a financial policy which would enable Japan to foot the bill.

In addition to new construction, to meet Washington's and London's plans to build two new capital ships apiece, the Government must inaugurate a policy of control of fuel and of national resources indispensable to defense and to encourage civil aviation and the aircraft industry, these officials declared.

The Government, they added, must also carry out financial reforms, increasing taxes and expanding the market for Government bonds.

The other points of the program, whose speedy adoption by the Government the Navy intends to seek, provide for: Administrative reforms; control of trade and industry; educational reforms; tightening of official discipline; and the unification of Nippon's foreign policies.

Japanese Emperor Cancels Birthday Military Review

Orders cancelling the annual military review on the Emperor's birthday on April 29 were issued April 18 as Court officials revealed that His Majesty had decided not to attend the function.

Tokyo Watching Ethiopia With Concern

Domei says the Japanese Government is watching the Italo-Ethiopian conflict with deep concern, in view of the Japanese commercial and economic interests in the African country. The press is united in believing that the hostilities in Ethiopia are nearing the end, but voices doubt that European peace would thereby be established. The *Hochi*, a leading daily, declared that the Italo-Ethiopian dispute and the remilitarization of Rhineland have accentuated the European tendency to conclude alliances and conventions for the maintenance of peace, independently of the League of Nations, which has proved powerless in the African conflict. The paper pointed out that the European situation is just the same as it was before the beginning of the World War. The *Jiji Shimpo*, another prominent journal, voiced a regret that the League, "which ought to be the most powerful peace organization aiming at collective security, has failed to function properly, because of the difference of interests between Great Britain and France."

The impending occupation of Addis Ababa by Italian forces brought forth predictions by high Government officials in Tokyo April 20, that should Nipponese interests in Ethiopia be endangered by the Italian capture of the Capital, Japan would approach the powers concerned with a view to safeguarding these interests. Meantime, the Government is paying keen attention to the attitude of Great Britain and France.

Diplomatic observers in Tokyo declared this week that the fall of Addis Ababa before the Italian advance would testify "in no ambiguous terms to the utter loss of prestige on the part of the League of Nations." Editorially commenting on the situation in Ethiopia, the *Tokyo Asahi*, a leading daily, said that her fall is a "foregone conclusion." "The protracted international conflict," said the paper, "would prove the richest adventure for Italy, whose resources have been heavily drained by the Ethiopian expendition." The daily pointed out that the system of collective security in Europe was "shaken to the foundation" by Italy's and Germany's demand for a re-distribution of colonies, and asked what system might be devised to establish a new balance of power in Europe.

Terauchi to Explain Mutiny to Diet

In an effort to clarify all aspects of the military mutiny of Feb. 26, the Tokyo Cabinet has asked Gen. Count Hisaichi Terauchi, War Minister, to make a report on the uprising before the 69th extradordinary session of the Diet next month.

Governmant to Form Huge Concern to Trade in South China and Formosa

A bill providing for the formation of a State-controlled investment concern to engage in business in South China, Formosa and the South Seas will be presented to the 69th extraordinary session of the Diet next month. The firm, to be known as the Formosan Development Company, will be capitalized at Yen 30,000,000, a half of which will be contributed by the Government and the remainder by sugar manufacturers. The concern's president, vice-president, three directors and two councillors would, according to the present plans, be appointed by the Government, which will thus retain full control of the firm's activities in its hands.

Diet Opening Ceremony to Be Held on May 5

Decision to hold the opening ceremony of the 69th extraordinary session of the Diet on May 4 has been reached by the Cabinet. The ceremony will be staged in the Upper House, in the presence of the Emperor. The Diet will be coovoked on May 1, and adjourned on May 25. Political circles, however, believe that the pressure of business may necessitate the extension of the session beyond the three weeks originally assigned.

Domei states that drastic Cabinet reforms, including the reduction in the number of Ministers from the present 12 to seven, will be urged upon Premier Koki Hirota, by Shigeru Yoshida, Director of the Cabinet Bureau of Investigation. Each of the 30 foreign diplomatic envoys stationed in the Capital had a five-minute interview with Hachiro Arita, the newly-appointed Foreign Minister, Apr. 16, during which the latter is reported to have outlined the main principles of his "independent and positive diplomacy."

The *Tokyo Jiji* April 15 said:— "As regards Japan's China policy forming the pivot of Japan's Continental policy Foreign Minister Arita has much confidence. Inasmuch as he went to China as Ambassador prior to his appointment as Foreign Minister and had intimate talks with General Chiang Kai-shek and General Chang Chun and other Nanking leaders, it is expected that the policy of merely following the Army's policy as adopted under Mr. Hirota will be corrected to some extent.

Japanese Emperor to Be Styled "Tenno"

Commenting on a Court announcement made April 17 that Japan's monarch would from now on be officially referred to as "Tenno," the Foreign Office said the following day that the new title had already been used in the text of the Japan-Manchukuo Postal Treaty concluded on Dec. 28 last year.

Japan-Egypt Trade Talks Face Deadlock

The breakdown of the protracted Egyptian-Japanese trade talks at Cairo is held inevitable in Tokyo. Officials this week went over the Egyptian proposal for a new commercial agreement. They stated, that it is prepared to abolish the "exchange compensation surtax" of 40 percent ad valorem, imposed by Egypt on Japanese goods since Sept. 20 last year, but the Cairo Government suggests that under the new pact, the imports of fine Japanese cotton good be limited to the value corresponding to that of Egyptian exports to Japan.

The Cairo authorities, moreover, want to curb the importation of Japanese coarse-grade cotton articles. These conditions were described in Tokyo as "unacceptable."

Egypt to Open Legation in Japan

Egypt will open her first legation in Japan on June 1, under a decision reached last week by the Cairo government. Japan will reciprocate by opening her first diplomatic establishment in Cairo in September.

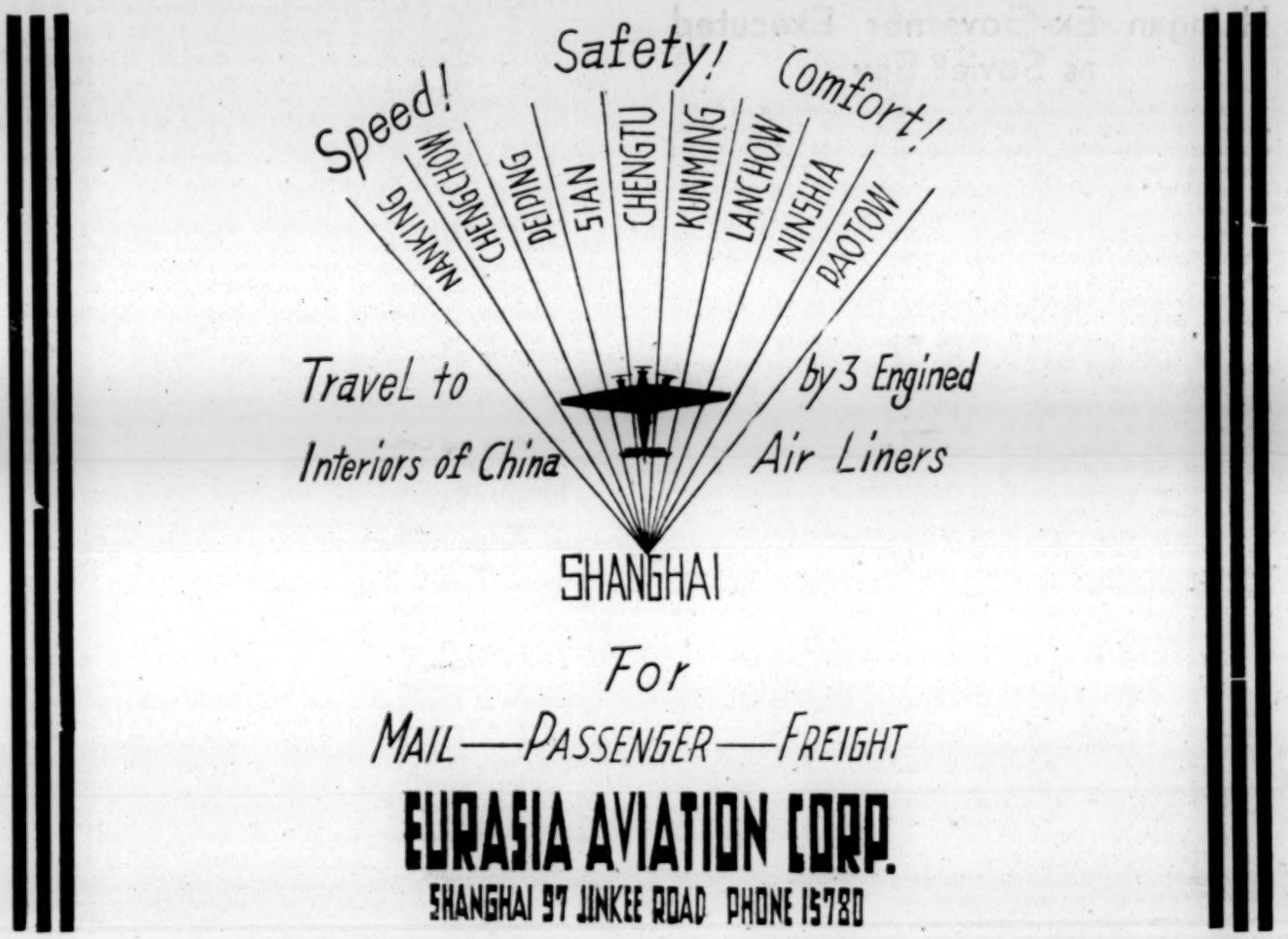
Japanese Merchants Ask for Trade Ministry

Creation of a Ministry of Trade was proposed by the Yokohama delegation to the general meeting of the All-Japan Traders' Federation, in Tokyo, Apr. 15. An appeal to the Government to comply with this request, in the interests of Nipponese trade, was drafted in the presence of Susumu Terao, Director of the Trade Bureau of the Ministry of Commerce and Industry, and other high Government officials.

Japan Rayon Exports Break All Records

Shattering all previous records, the exports of rayon during March soared to 74,000 bales, representing a gain of 11,115 bales over the preceding month and of 15,451 bales over the corresponding month of last year. The gain was ascribed by exporters to larger purchases of the Nipponese product by Hongkong, the Netherlands East Indies and British India.

Marking the approach of the export season, Nippon's trade for the second ten-day period of April showed a large reduction in the unfavorable balance, with the exports totaling Yen 66,857,000 and imports reaching Yen 77,268,000.



Japanese Political Parties Prepare for Diet

Japanese political parties April 20 launched into active preparations for the forthcoming 69th extraordinary Diet session which will be convened on May 1. While party whips rearranged their battle lines, executives were drafting addresses to be made at rallies of members at the end of the month.

Gaimusho Entertains Filipino Journalists

Cordial sentiments were exchanged in Tokyo, April 20, by a group of Filipino Journalists now visiting there and a spokesman of the Foreign Office at a dinner given by the latter. Referring to the rejoicing caused in Japan by the inauguration of a Commonwealth Government in the Philippines, the spokesman declared: "We have always been good neighbors and are destined to remain good neighbors forever. This is the time to set to work, in order to promote and perpetuate our neighborly relations, so as to consolidate our immutable friendship, ushering in a new era in the Japan-Philippines relations".

Japan May Retaliate Against Australia Trade Move

Imposition of restrictions on the imports of Australian goods into Japan, in retaliation for the projected increases in the import duties on Nipponese goods imported into Australia is being contemplated by the Government, advices from Tokyo state.

Extensive Changes in Mitsui Personnel Foreseen

Domei states that Jushiro Bandai, managing director of the Mitsui Bank, will succeed Naojiro Kikumoto as the president of the Yen 100,000,000 banking corporation in May when the new age-limit regulations, adopted on April 17, go into effect. Among many other changes brought about by the new system,, it was further understood, will be the retirement of Konosuke Seko, president of the Mitsui Insurance Co. Mr. Kikumoto is 66 years old, while Mr. Seko is considerably younger. Meantime, it appeared certain that Seihin Ikeda, managing director of the Mitsui Gomei Kaisha, parent firm controlling the various corporations of the same name, would insist that the age-limit system, which he evolved himself, be applied in his case. He will also retire from all other Mitsui enterprises.

Mitsuis Quitting Business, Yomiuri Shimbun States

The House of Mitsui, Japanese counterpart of the powerful House of Morgan, is going out of business, according to a sensational report which appeared April 18 in the *Yomiuri Shimbun*, a daily boasting of the third largest circulation in the Tokyo metropolitan area. The Mitsui family, whose immense fortune had its humble start in the operation of a "cash-and-carry" dry goods establishment, will retire from active participation in their mutiple enterprises, which include foreign and domestic trading, banking, life insurance, shipping, mining and armaments manufacture.

Retained, however, will be the present investments in these various companies, whose total authorized capitalization exceeds Yen 500,000,000.

China's Oldest "Sex" Story—The Cruel Lu Wang of Honan

(By A. C. Arlington in the Peiping Chronicle)

In the district city of Wei-hui, Honan, is a tower called the Wang Ching Lou ("Looking anxiously towards the capital" i.e. Peking), which was built at the command of Lu Wang, the fourth son of the Ming Emperor Lung Ch'ing. According to the inscription on a stone slab let into the walls of the tower, it was finished building during Wan Li's reign in 1580. The tower is about eighty feet high, and still in good condition. Prince Lu is said to have been a cruel and inhuman scoundrel of the worst description, and so lustful that no woman was safe from his attentions. On the east of the tower is a smaller tower called K'an Hua Lou ("Tower for looking at Flowers"): a euphemism for pretty women. On the top of this tower, on the east side, are three stone slabs worn quite smooth, all placed in a slanting position. At the bottom is another slab with a sharp projecting point. If any woman declined Prince Lu's amorous intentions she was taken to the top of the tower, stripped naked, and then slid down the three stone slabs to be impaled on the projecting point of the lower one. And yet, the grave of this inhuman monster was left intact by Li Tzu-ch'êng when he rifled all the graves in this region. But Prince Lu was a man after his heart, for Li Tzu-ch'êng did the same thing himself!

Lu Wang's tomb is on Fêng Huang Shan (Phoenix Hill) some seven miles west of Wei-hui. The approach to the tomb is between two rows of stone men and animals. In front of the tomb are ten monoliths. One of them records that Wan Li in the 42nd year of his reign (1614) sacrificed at the tomb of Prince Lu. Wan Li was Wang's elder brother. The remaining nine monoliths are in memory of Lung Ch'ing's empress, his sons, and various members of the Imperial Family. The graves were all rifled (except Lu Wang's) by the rebels under Li Tzuch'êng before his march on Peking in 1643.

Hsingan Ex-Governor Executed as Soviet Spy

The execution of Gen. Ling Sheng, former Governor of North Hsingan Province, and three other officials of the Provincial Government, following their conviction by the court martial charges of espionage in favor of Soviet Russia, was announced in Hsinking April 21 by the Kwantung Army in a special communique.

Two others, also accused of collusion with Soviet Russia and Outer Mongolia, were sentenced to prison terms of 14 and 15 years.

The executed officials died before a firing squad, the communique added.

In addition to Gen. Ling Sheng, the convicted officials included: Major-Gen. Fu Ling, Chief of Staff of the First Army of North Hsingan; Major-Gen. Chun Teh, Chief of the Police Bureau of the Provincial Government; Hwa Ling-tai, secretary of the headquarters of the First Army; Cavalry Captain Sateruto, formerly of the North Hsingan Garrison; and Wei Hsing-tai, of the Hailar Police Headquarters.

In a communique issued on April 13, the Kwantung Army charged Gen. Ling, who headed the Manchukuo delegation to the abortive negotiations with Outer Mongolia at Manchuli last year, with concluding a secret agreement with the Mongolian delegation. Following the Olahodtka clash of Feb. 12, on the Manchukuo-Outer Mongolian border, Gen. Ling supplied secret information to Soviet Russia on the plans of the Japanese-Manchukuo troops in connection with the incident.

Kwantung Army Alleges Russia Supports Bandits

Soviet Russia is being accused by high officials of the Kwantung Army of supporting communist bands operating on Manchoukuo's eastern border. In a clash with Japanese troops west of Jaoh, Sankiang Province, on April 7, the band led by one Li Hsuen-wan, left on the field of battle ammuntion, "most of which proved to be of Soviet manufacture," Army officers at Hsinking alleged.

The *Tokyo Yomiuri* April 14 stated that if the armaments of Outer Mongolia are included, the Soviet Union has a force of more than 300,000 around Manchukuo, making an armed demonstration or firing on Japan-Manchoukuo troops after crossing the border, thus making challenging acts and repeating the same.

Another Clash on the Frontier

Information has been received from Khabarovsk that on April 10, a group of seven Manchurians, accompanied by an armed escort of five soldiers, cut trees on the Mofinsky Island, (the River Ussuri), which, according to the Peking treaty of 1861, and according to the map thereto attached, represents (according to *Tass*) the indisputable territory of the U.S.S.R.

Manchukuo Experts to Study Borderline

Manchukuo Government experts are scheduled to leave Hsinking early next month for a five-month study of Manchukuo's eastern border with Soviet Russia. The party, organized by the Ministries of National Defense, Foreign Affairs and the Interior, will examine the 630-kilometer borderline, stretching from Lake Khalka, through Suifenho, to the Tumen River. Border clashes have been especially numerous and severe along this part of the Manchukuo-Soviet frontier.

"No War Between Japan and The U.S.S.R."—Ting Shao-chi

Ting Shao-chi, Councillor of the Chinese Embassay in Tokyo, who arrived in Shanghai April 14 from Japan, in an interview with the press declared that no war will break out between Japan and the U.S.S.R. in the near future. "The border clashes between Manchuria and Outer Mongolia cannot be regarded as a prelude to a Soviet-Japanese war," according to Mr. Ting. "Japan has for a long time prepared for war," added Mr. Ting. He refused to comment on the Sino-Japanese relations but declared that Japan is not insisting upon the enforcement of the Three-Point Principles now. Mr. Ting, who has been transferred from the Chinese Embassy to the Ministry of Foreign Affairs, later proceeded to Nanking; he will be appointed member of the Treaty Committee of the Ministry.

"Japan Cannot Tolerate Soviet Aggression"—"Shanghai Mainichi"

Commenting on the protest lodged by the Chinese authorities with the Soviet Government against the conclusion of the Soviet-Mongolian agreement, the *Shanghai Mainichi* writes: "The National Government will remain inactive in adopting suitable and effective measures to deal with the situation, and will only repeat their views in notes." "It is inevitable," the *Mainichi* said, "that Red Imperialism will continue its aggression in China, and if the Chinese fail to appeal to the League, they will not be able to check this invasion. It is easy to imagine that aggression by the Soviet authorities in Sinkiang as well as the other bordering regions of China will be furthered. Japan, however, cannot tolerate such developments."

"Izvestia" Comments on Japanese Imperialism

Moscow *Izvestia* April 17, in an article entitled "Japanese Expansion in the South" wrote: "The claim of Japanese imperialism to the role of 'the only stabilizing force in the Far East' conceals its aggressive aspiration not only in the North but in the west and South as well. While the army and Fascist circles connected with it are forcing a Japanese advance in North China and the provocations in regard to the USSR and the Mongolian People's Republic, the navy with its 'young officers' declares a doctrine of Japanese advence in Southern Seas.

"Already last year the Japanese naval circles have stated that this advance in the South meets the demands of strategy and needs of defence, and also is the shortest route for an outlet from the economic difficulties now encountered by Japan.

"Politically the Japanese imperialists are most active in South China and Siam. In Fukien province in China the Japanese are organizing through their agents an "Autonomous Movement" similar to that in North China.

"It is also not by accident that, during the last few months, visits by the emissaries of the Japanese Government and the Japanese army have become more frequent in South China. Siam already in fact has become a leading base for Japanese imperialism.

Japan Is Displeased with Tass News Agency Reports

Instructions to call the attention of the Soviet Government to the allegedly "unfair" reporting of the Soviet-Manchukuo border clashes and diplomatic negotiations that followed them were cabled by Hachiro Arita, Foreign Minister, to Mr. Tamekichi Ohta, Japanese Ambassador to Moscow, April 19. The specific instances to which Mr. Arita objected included: 1. The alleged inclusion of propaganda in the news reports of the border incidents; 2. the asserted misreporting of the conversation between Koki Hirota, former Foreign Minister, with C. C. Yureneff, Soviet Ambassador to Tokyo, on March 25, and the interview between Mr. Ohta and B. S. Stomoniakoff, Foreign Vice-Commissar, in Moscow on April 27. In the latter two cases, Mr. Ohta's instructions said, the Japanese view of the incidents was "apparently intentionally omitted," while the stand of the Soviet Government was prominently displayed.

Jewish Autonomous Province Being Settled

During 1936, ten thousand new settlers are scheduled to arrive in the Jewish Autonomous Province of Birobadjan. The volume of capital investments in the Province will constitute 67 million roubles, exceeding by three-and-one-half times that invested in 1934, *Tass* says. Construction is nearing completion of a lime, a woodworking and a ply-wood plant and also a clothing factory. New buildings and three new brick plants are being built. Extensive work has been accomplished in the national cultural upbuilding.

The province has 104 primary schools, 14 hospitals and 4 technical colleges. A sound cinema, libraries and hospitals are under construction. One hundred per cent of the children are studying in primary school. The capital of the province, Birobidjan, has already 13,000 inhabitants and many enterprises.

Ohta Discusses Fisheries with Litvinov

In an effort to break the deadlock paralyzing the Soviet-Japanese conversations on the revision of the Fisheries Treaty, Tamekichi Ohta, Japanese Ambassador in Moscow, discussed the question with Maxim Litvinov, the Soviet Foreign Commissar, on April 11. The fisheries agreement is expiring on May 27, but no progress has yet been made in the Moscow conversations, begun ten months ago.

Soviet-Chinese Cultural Collaboration Fostered by Donation of Books

A collection of books entitled "Sze-Ku-Chuan-Shu" (Collection of Four Libraries), which consists of 2,000 volumes and includes all the most important Chinese books comprising the four thousand year old culture of the Chinese nation, has been presented to the All-Union Lenin Library in Moscow by the National Government of the Chinese Republic.

"Ta Kung Pao" Suggests Non-Aggression Pacts All Round

Commenting on the Soviet-Japanese relations and China, the *Ta Kung Pao* in an editorial said: "The Chinese Government should propose to Japan and the USSR definite plans for the readjustment of the relations of these countries. To Japan, China should propose a solution of the Manchurian Problem and to the USSR, China should propose a solution of the Mongolian Problem. If conferences can be held between China and Japan and China and the USSR for the solution of these problems, it will do much to help the preservation of peace in the Far East as respect of Chinese territorial and sovereign rights by Japan and the USSR will do away with the armed conflicts between the two countries. If the conferences can be held to solve the Manchurian and Mongolian problems, China should urge the two countries to conclude pacts of non-aggression. With the conclusion of Non-Aggression Pacts between China and the USSR, China and Japan and Japan, and the USSR, the foundation of peace in the Far East will be laid."

Chinese and Korean Christians Arrested in Mukden

Dispatches from Peiping early this week reported that Japanese gendarmes and police arrested two Chinese teachers and one Korean teacher at the mission middle school in Mukden, stating that these people are wanted by the authorities on suspicion of being communists. In addition two employees of the B.A.T. were taken into custody.

The mission is British although the school in which the arrests were made is not British property, being registered in the name of the Chinese church. The British consul-general in Mukden made representations concerning the incident to the local authorities. These recent arrests recall the many arrests of Chinese Christians made in Mukden by the Japanese authorities, almost all those arrested having been members of the I Fen Hui, a philanthropic organization for providing education for poor people.

Kuriyama in Hsinking for Final Talks on Extrality

Shigeru Kuriyama, director of the Threaty Bureau of the Japanese Foreign Office, arrived in Hsinking, April 18 for a final investigation on the spot of conditions in preparation for the conclusion of a Japan-Manchukuo agreement for the abolition of Japanese extra-territorial rights in Manchukuo. Under present plans, the first step towards the abolition of extrality privileges will be taken on July 1 with the rendition of taxation rights in the S.M.R. zone.

Minami Put on Waiting List Prior to Retirement

Gen. Jiro Minami, former Japanese Ambassador to Manchukuo and concurrently commander-in-chief of the Kwantung Army, was placed on the waiting list at his own request April 18. This action foreshadowed his early retirement. Assuming indirect responsibility for the Army rebellion of Feb. 26, in his capacity of senior commissioned officer in the Service, Gen. Minami asked to be recalled from Manchukuo soon after the mutiny.

Manchukuo Said to Be Demanding Recognition from Italy

Hsinking will make Italian recognition of Manchukuo a condition for granting permission to Italy to establish a consulate-general in the capital, a Mukden dispatch to the Tokyo *Nichi Nichi* recently stated. The terms have already been communicated, it was said. The *Nichi Nichi* correspondent expressed confidence that the consulate-general would be established soon and that Italy would recognize Manchukuo "in some way or another," becoming the first major nation to do so.

Japanese and French Interests Organize Company in Manchuria

The South Manchuria Railway Company and a French company have agreed to organize a company in Manchuria with a capital of Yen 10,000,000. The company will engage in import and export trade as well as general construction works in Manchuria.

Volunteers Attack Japanese at Antung

About 100 anti-Japanese volunteers attacked the South Manchuria Railway station near Antung April 18. Three Japanese railway officials were killed and all the telegraph and telephone wires were cut.

Russian Rail Guard Killed by Outlaws

A Russian armed guard, V.D. Stepanzeff, aged 28, employed by the Lafa-Harbin Railway, was killed by Chinese bandits about two miles from Rokoshih station last week. He was cutting firewood when attacked by 20 bandits, two of whom he killed before succumbing to his wounds.

Manchukuo to Seek Evacuation of Red Troops

Manchukuo will seek the immediate evacuation by Soviet troops of an area east of Suifenho, allegedly under unlawful occupation by Red forces for the last several years, the Foreign Office in Hsinking announced April 21.

The demand will be based on documents and data recently compiled by the Manchukuo government in its independent borde demarcation program, the announcement added.

Uyeda Issues Orders to Kwantung Army Heads

Independent political activities on the part of military officers were assailed April 20 by Gen. Kenkichi Uyeda, the newly appointed Commander-in-Chief of the Kwantung Army and Ambassador to Manchukuo, in his first conference with commanders of Army units stationed in Manchuria at Hsinking.

Such activities, the officer declared, go contrary to the spirit of the task entrusted to them, and "would, besides, never achieve the desired results."

The Army believes, he added, that reforms in the national administration are "vitally necessary," but "the only military office permitted to deal with these matters is the War Minister."

Other issues discussed by Gen. Uyeda included the projected purge of Army ranks and means of securing spiritual unity in the Army. He also called for strict obedience to the Supreme Command.

The conference followed last week's deliberations of Divisional and Army commanders in Tokyo, at which the purge of Army ranks was discussed.

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ACADEMIC CALENDAR

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End of Summer Term	Friday, July 31, 1936
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South Manchuria Railway Company Investigates Shantung Mines

Eight members of the investigation department of the South Manchuria Railway Company are at present at Shantung investigating the coal and iron mines in the province. The Electric Power Plant of the South Manchuria Railway Company in Manchuria is planning to extend its business into North China. A high Japanese official of the plant has been sent to Tientsin to make a general study of the supply and demand of electricity in the North China cities.

The Japanese manager will report to the head office of the South Manchuria Railway Company, the proposals of the Tientsin conference. According to reliable sources, the Investigation Department of the S.M.R. Co., the Hsin Chung Company and the Investigation Department of the Japanese Military authorities in Tientsin have decided to introduce the following measures for the economic development of North China:

(1) Building of a railway connecting the Tientsin-Pukow and the Peiping-Hankow Railway to be known as Chong-Shih railway.
(2) Opening of the iron, coal and oil mines of Chahar, Shansi, and Shantung Provinces, and
(3) Finance the farmers to cultivate cotton.

According to a spokesman of the South Manchuria Railway Company, the Tientsin Office of the SMR will be responsible for the opening of mines and the development of agriculture in the Hopei and Chahar provinces. However, no concrete plans have been formulated regarding the opening of iron mines at Lungyen and coal mines in Mengtoukow.

"The Hsin Chung Company, which was organized some time ago for the economic development of China will probably be unable to shoulder the responsibility," according to the spokesman. "It is reported that only one-fourth of the total capital (Yen 10,000,000) of the company has been paid in, up to the present time. It is because of this financial problem, that the Tientsin office of the Hsin Chung Company has not yet been organized," added the spokesman, as quoted by *Chungkwajih Pao*, March 31.

Government Aid Pledged in Flotation of S.M.R. Bonds

Japanese Minister of Finance Baba, has assured Yosuke Matsuoka, president of the South Manchuria Railway Co., that the Government would assist in the proposed flotation by the latter firm of Yen 60,000,000 in bonds.

South Manchuria Railway Company to Operate Bus Service in North China

For the development of communication in North China, the Tientsin office of the South Manchuria Railway Company has decided to inaugurate bus services on nine highways in North China. The nine lines are: From Shanhaikwan to Chienchongyin, from Tangshan to Hsifengkow, from Kalgan to Dolonor, from Peiping to Chengteh, from Luantung to Loting, from Tientsin to Tangshan, from Tientsin to Tangku, from Tientsin to Feiping, and from Peiping to Kalgan.

These lines will be opened for regular service on May 1, according to the present plan of the South Manchuria Railway Company.

S.M.R. to Operate All Manchukuo Railways in October

Further extending its already far-flung activities, the South Manchuria Railway Company will take over exclusively the management of all railways in Manchukuo, Takuichi Omura, vicepresident of the vast firm, revealed in Tokyo April 16. Accompanied by Yosuke Matsuoka, president, Mr. Omura called on leading officials at the Ministry of War that morning. He excused himself before his chief, who remained in conference with Gen. Count Hisaichi Teruachi, War Minister, until noon.

In acquiring control over the Manchukuo network, now operated by the Directorate-General of Railways, the S.M.R. will add 6,063.7 kilometers of lines now open, to its own system 1,122.1 kilometers long.

Matsuoka Denies Resignation Rumors

The persistent rumors of his resignation were denied in Tokyo, April 16 by Yosuke Matsuoka, President of the South Manchuria Railway Company, on his arrival there from Manchukuo. "These rumors," he said, are as false as the reports that I am to be chosen the Ambassador to China."

South Manchuria Railway Company Conference in Dairen Closes

The Dairen conference of the South Manchuria Railway Company was closed April 13. More than ten officials of the offices of the South Manchuria Railway Company in Tientsin, Peiping, Chahar, and Suiyuan, went to Dairen to attend the conference.

An important conference was held in Tientsin March 20 by some 30 high officials of the South Manchuria Railway Company, including managers of the branch offices of the company in Dolonor, Suiyuan, Kalgan, Taiyuan, Tsingtao, Tsinan, Chengchow, and Kaifeng. According to Japanese reports, the conference was held for the purpose of exchanging views regarding the plans of opening mines in North China.

Kwangtung Provincial Enterprises Have Huge Turnover

The total business turnover last year of the enterprises operated by the Kwangtung Provincial Government amounted to more than $21 millions, according to figures released officially in Canton April 14. The production of sugar headed the list with cement taking second place.

Ministry of Industry to Organize Bureau of Agriculture

For the purpose of giving effective financial assistance to the farmers and to direct the activities of the cooperative societies, the Ministry of Industry has decided to organize a Bureau of Agriculture. According to present plans, the bureau will have a fixed capital of $30,000,000 to be raised by the Government. It is reported that the Government will give $6,000,000 every year and in five years' time will give a total sum of $30,000,000 to the bureau.

China Tea Trade in Java Declines

The Chinese tea market in Java, which usually occupies an important place in China's tea export, is now on decline due to serious competition of Java native tea and the dumping of Formosan tea by Japanese. It is estimated that more than 10,000 Chinese directly or indirectly connected with the tea trade in the Netherlands colony have returned to China because of the depression, and fears are expressed that if the conditions are allowed to drift on the Chinese tea market will be swept out of Java in two years. The Chinese Government, however, is now taking steps to better the situation.

Shensi Has 1300 Kilometers of Highways and 2400 Miles of Telephone Lines

Despite natural catastrophes and communist depredations which have beset Shensi noticeable strides have been made in said province in the field of communications—highway construction and telephone installation. Through the assistance of the National Economic Council, the Shensi provincial government has completed the construction of 1,300 kilometers of public roads and a 2,400 mile rural telephone network.

A sum of $400,000 has been allocated by the Kiangsi Provincial Government for the promotion of rural enterprises in the province. Besides the existing cooperative societies, a rural promotion area and an agricultural station for the cultivation of sugar cane, tobacco and fruit will be established in each of the Special Administrative Areas.

League Report Embodies Findings of Experts on Road Construction in China

A report based on the findings of League experts sent to China in 1935 to inspect road construction and hydraulic works in that country, has been drawn up by the League Communications and Transit Organization, in Geneva after a thorough study of the problem. The report deals in part with hydraulic works on the Yellow River, the economic problem of the Shensi waterways, the irrigation of Suiyuan, construction of dams planned to regulate the course of the Fen-ho river in Shansi, the Hsiaohsin-ho in Shantung and the Hwai-ho in Anhwei. Considerable space is also devoted in the report to the development of road-building.

General principles relating to measures for promoting coordination between railways and highways—recommended by the Technical Committee on Communications of the Central Political Committee—were adopted at a meeting of the Executive Yuan in Nanking April 14.

Nanchang-Kiukiang Railway to Repay Outstanding Debts to Japan

Nanchang advices state that plans have been made by the Nanchang-Kiukiang Railway Administration to repay its debts to Japanese interests, amounting to $10 million in principal plus $8 million in interest. As a result of negotiations between the railway and Japanese authorities concerned, it was decided that the railway will repay the debts by instalments in the monthly amount of 70,000 yen.

An Addition to Tientsin-Pukow Railway Loan Sinking Fund

A sum of $250,500 was set aside this month by the Tientsin Pukow Railway Administration toward the sinking fund for the amortization of the Chinese Government 5% Loan of 1908 and 1909, thus swelling the fund to a total of $3,250,000.

Protection of Train Services Provided for in New Regulations

So as to prevent bandits and other mischievous persons from damaging the rails and disturbing traffic, a set of measures for the protection of train service on the Peiping-Hankow and Lung-Hai Railways has been drawn up by the Headquarters of General Liu Chih, Pacification Commissioner for Honan and Anhwei, and forwarded to the Ministry of Railways and the Special Administrative Commissioners' Offices concerned for enforcement. The Ministry of Railways has instructed the two Railway Administrations to act accordingly.

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Japanese Pilot Deliberately Fires Plane After Being Rescued

The rescue off the Southeast Promontory of the two occupants of a Japanese naval plane by the s.s. *Hunan*, and the deliberate destruction of the machine by the pilot, was revealed when the steamer arrived in Chefoo April 21. The two aviators—Sueo Sukita and Toshio Kanami—were taken ashore by a representative of the Japanese Consulate there, who boarded the s.s. *Hunan* on her arrival and thanked her skipper, Captain J. B. Bruce, for the services he and his crew had rendered.

The machine, which is stated to have arrived at Tsingtao from Japan, left Tsingtao for an undisclosed destination at 5 o'clock the previous morning, but evidently the Japanese airmen lost their way as the plane was sighted circling over the steamer early in the afternoon. At about 5 p.m. however, the plane was again sighted by the crew of the steamer, and after circling around the ship, alighted nearby. A boat in charge of the first officer was lowered by the *Hunan* and the two occupants of the machine picked up. Neither could speak English, but it is believed that shortage of petrol forced them down.

Preparations were made to tow the machine to the side of the steamer, the intention being to hoist it aboard, but the Japanese pilot fired an incendiary bullet into the plane, setting it afire. Within a few minutes it was completely destroyed. It is believed the act was done so as to hide the design of the plane.

Chinese Bar Association Will Present Plane on Chiang's Birthday

Decision to purchase an airplane to be donated to the government as a token of congratulation for Generalissimo Chiang Kai-shek President of the Executive Yuan, on the occasion of his 50th birthday anniversary was reached at the general meeting of the Chinese Bar Association in Shanghai held at the headquarters of the Ningpo Residents Association April 19. According to the resolution adopted, each member of the various bar associations throughout the country will be requested to contribute $10 towards the fund for the purchasing of an airplane which will be christened "Lawyers."

Hangchow Paper to Contribute Airplane to Generalissimo

Following the example of other Chinese newspapers, the *Tung Nan Jih Pao* in Hangchow will present an airplane to General Chiang Kai-shek, President of the Executive Yuan, on the occasion of the 50th anniversary of his birthday. The students of the Hangchow Middle School saved a sum of $200 from boarding fees for the purchase of birthday presents for General Chiang.

A sum of $180,000 will be contributed by the people of Shansi and Suiyuan towards the purchase of airplanes for presentation to the Government on the occasion of General Chiang Kai-shek's 50th birthday. $150,000 will be donated by the people of Shansi province and $30,000 by Suiyuan.

Canton-Hanoi Airline to be Resumed Shortly

With the approval of the Ministry of Communications, the Southwest Aviation Company is making preparations for the resumption of the Canton-Hanoi airline, which has been suspended for some time on account of various difficulties. Plans are said to be also under way for the inauguration of the Canton-Kwangsi air service.

Anti-Air Exhibition Staged in Chengchow

A large-scale Anti-air exhibition wass taged in Changchow this week.

Southwest Aviation Corporation to Establish Hongkong-Kongmoon-Canton Route

The Southwest Aviation Corporation has decided to establish an air line connecting Hong Kong, Kongmoon and Canton. When the route is established, commercial planes will ply the air between said destinations four times a day. The plan will materialize at the beginning of next month.

South China Pushes Air Defence Program

At the Air Defence Meeting of the Central Pacification District held in Canton, April 9, the following resolutions were unanimously adopted:

(1) That an air defence commission be organized in every district within one month's time;

(2) That the means of communication and transportation in the districts be immediately improved;

(3) That pamphlets and other propaganda material be dispatched to the district governments to be re-distributed by them;

(4) That agents be sent to every district to supervise the carrying out of the air defence program.

Canton to Build $2 Million Stadium

Plans are under consideration of the Kwangtung Department of Reconstruction for the erection of a huge stadium in Canton with a total cost of $2 million. When completed the stadium will be the biggest and best of its kind in the whole of China, both the Shanghai and Nanking stadia having been built at slightly over $1 million each.

U.S. Election Campaign Grows Hotter—Republican Rivals for Candidacy

The election contest in the United States is becoming quite hot, with the election date (the first Tuesday after the first Monday in November) less than six months away. The three principal candidates for the Republican nomination are: Governor Landon of Kansas, Senator Borah from Idaho and Colonel Knox, Chicago publisher. The Democrats will undoubtedly renominate President Roosevelt. The President's popularity is somewhat dimmed, but there is a general belief that the will be reelected, largely due to the fact that the enormous number of people who are drawing relief will vote for him.

President Roosevelt's opening campaign speech last week, which revealed that he is still committed to the New Deal policy of economic and social reform and experimentation, caused the sharpest single day's break in stock prices since the middle of February, according to the review of the New York market for the week ended Friday, April 17, by Swan, Culbertson & Fritz.

The strongest point made by the Republicans against Roosevelt administration is that he has utterly failed to keep the promises contained in the platform on which he was elected. The Democratic platform adopted in Chicago June 27, 1932, advocated amoing others things, "an immediate and drastic reduction of government expenses, maintenance of the national credit by a balanced budget, and a sound currency to be preserved at all hazards,"—statements, as the Republicans point out, which are almost humorous in the light of the events during the past three years.

Norman Thomas, Socialist condidate for the Presidency of the United States in 1926 and 1932, said in a speech in Phoenix, Arizona, April 17, that he believed the re-election of President Roosevelt was "fairly certain." The Socialist leader said that, while he differed with the President on most principles of government, "Mr. Roosevelt is considerably superior to those who have any chance of defeating him."

A vigorous plea for the conservation of national resources was made by President Roosevelt Apr. 16 as he laid the cornerstone of a new $12,000,000 building for the Department of Interior in Washington.

Supporters of Frank Knox, Chicago publisher and Republican presidential aspirant, claim that he has captured 46 of the 50 Illinois delegates to the Republican national convention as a result of last week's primary election. However, the columnist of Mr. Knox's own paper (*Chicago Daily News*) said, "The boss hasn't a Chinaman's chance."

Two-thirds of the voters of Nebraska favor the candidacy of President Roosevelt over that of Senator William E. Borah, results of the state's presidential preference pritharies showed. With Mr. Roosevelt unopposed in the Democratic primary and Mr. Borah unopposed in the Republican ranks, Nebraskans rolled up an overwhelming testimonial vote for the former.

Herbert Hoover, former president, made a vigorous attack on the Roosevelt formula for combatting unemployment, in an address at Palo Alto, April 15. President Roosevelt, he declared, is again urging a program of unemployment relief which has already proved a failure. In advocating shorter working hours without reductions in pay, Mr. Hoover said, the President "finds himself on the horns of a dilemma." As an alternative, the former Chief Executive suggested that the Government should "reduce expenses, balance its budget, establish a real currency and stop movements and threats of inflation, as well as other activities which destroy confidence in the future."

John J. Raskob, former chairman of the Democratic National Committee, and Pierre S. du Pont, industrialist, contributed $5,000 each to defray the expenses of the recent "grass roots" Democratic rally at Macon, Ga., which endorsed the presidential candidacy of Eugene Talmadge, Governor of Georgia.

Tang Leang-li Is Warmly Greeted in Berlin

A reception attended by a large number of distinguished German and Chinese personalities was given at the German Club in Berlin April 19 by the Far Eastern Society in honor of Tang Leang-li, editor of the *People's Tribune* (Shanghai) who is staying in Berlin.

The guests were welcomed by the president of the Far Eastern Society, Herr Diehn, and by the vice-president, Dr. Linde. In his speech of welcome Dr. Linde said that Tang Leang-li who had formerly studied in Vienna and knew the Germany of those days, could now see for himself what progress had been made in the intervening years. The speaker emphasized that no political differences whatever clouded the happy relations between the two countries, whose cultural and economic ties grew stronger every year. In conclusion Dr. Linde said that both the Far Eastern Society and the East Asiatic Union in Hamburg and Bremen would do everything in their power to enable their visitor to become intimately acquainted with the new Germany during his stay.

Trans-Ocean mentioned that as Mr. Tang speaks excellent German, the ensuing conversation was animated, and he spoke in turn with many German notables.

According to *Who's Who*, Mr. Leang was born in Java, in 1901 of Fukien stock, and also speaks the Dutch and Malay languages.

Who's Who in China

Tingfu F. Tsiang, Government official; born in Shaoyang, Paoking, Hunan, 1895; attended Minteh Elementary School in Changsha and Yichi School in Siangtan; in 1912, went to the United States and entered Park Academy, finishing in 1914; Oberlin College, 1914-18; in France, as Y.M.C.A. Secretary from July 1918 to July 1919; Columbia 1919 to 1923, receiving Ph. D. degree; Professor of History in Nankai University 1923-29; Professor of History and Head of Department in National Tsing Hua University 1929-35; lectured in London University and Oxford University, spring 1935; Chief of Political Section, Executive Yuan of National Government since winter of 1935; author of "Select Documents Illustrating the History of Chinese Diplomacy," published by Commercial Press, and of numerous articles in the American Historical Review, Journal of Modern History, Cambridge Historical Review, Chinese Social and Political Science Review, and the Tsing Hua Journal; member of the Editorial Board of the Independent Critic; managing editor of the Chinesee Social and Political Science Review 1930-35; present address: Executive Yuan, Nanking.

蔣廷黻
Tingfu F. Tsiang
(Chiang Ting-fu)

蔣廷黻，湖南邵陽人，生于光緒二十一年，幼入長沙明德小學湘潭益智學校，民國元年赴美，入巴克大學預科，三年畢業，是年秋入歐比命大學，七年畢業，得學士學位。七月赴法國，充華工青年會幹事。民國八年七月返美，入哥倫比亞大學研究院專攻歷史，十二年春畢業，得博士學位，十二年春至十八年夏充天津南開大學歷史教授。十八年秋至二十四年冬充國立清華大學歷史教授兼系主任。二十四年春曾在英國倫敦大學及牛津大學作學術講演。二十五年冬起任行政院政務處長職。著有「中國近代外交史資料輯要」兩册，商務印書館出版，並在美國歷史學報，近代史學報，劍橋歷史學報，中國社會及政治學報，清華學報發表學術論文多篇。曾主編中國社會及政治學報並協編獨立評論。

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PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
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Men and Events

Liu Kwei-hung, president of Honan University, tendered his resignation to the Honan provincial government, April 15.

Dr. Roy Chapman Andrews, director of the New York Museum of Natural History, and Mrs. Andrews, arrived in Yokohama, April 17 from Vancouver. They are proceeding to Peiping for a visit of several weeks.

Gen. Manuel Martile, Cuban Minister to China, paid his first official call on Gen. Chang Chun, Minister of Foreign Affairs, in Nanking April 18.

Dr. Alfred Sze, Ambassador at Washington, has been granted home leave, according to information from the Ministry of Foreign Affairs at Nanking.

A Nanking message states that the new buildings for the Police Officers' College of the Ministry of Interior, now under construction at the Ming Tombs, will be completed by July.

Chen Hsiang-jui, director of the Shanghai Zoo, after a six-months study of methods at the zoo in Tokyo, returned here this week with a bear as a gift from the Municipality of Tokyo to that of Shanghai.

Prof. James M. Menzies delivered a lecture on "The Art of the Shang and Chow Dynasties" (illustrated with lantern slides) before the North China Branch of Royal Asiatic Society in Shanghai, April 23.

General Chang Chih-kiang, President of the Central Native Gymnastics Institute, returned to Nanking April 16 via Shanghai. After an extensive trip to the United States, Europe and the South Sea Islands.

Miss Mary Andrews, believed to be the oldest missionary in China, died at Paotingfu April 19 at the age of 95 years. She arrived in China 68 years ago and for 55 years served actively under the American Board Mission in China.

The Shanghai Fish Market was formally handed over to Wang Hsiao-lai, General Manager, and Messrs. Chu Tung-shan and Sung Ku-chen, assistant Managers of the market, by the Preparations Committee of the Ministry of Industries, April 17.

Liang Shu-ming, noted rural welfare worker and director of the Tsowping Welfare Center in Shantung, accompanied by five of his students, plans a trip to Japan in the near future to study at first hand rural reconstruction developments there.

L.A. Fritchman was elected vice-president and assistant general manager of the Shanghai Telephone Company at its annual meeting in New York City on April 13, according to a telegram from New York received by the company's offices last week.

T. V. Soong, Member of the Standing Committee of the National Economic Council and Chairman of the Board of Directors of the Bank of China, returned to Shanghai end of last week from Hangchow, where he spent a brief holiday.

An examination of the Chinese art objects on the British steamer *Ranpura*, upon its arrival at Marseilles, beginning of this week, showed that the collection had in no wise been damaged as the result of the steamer's two day stranding mishap at Gibraltar.

A big plot to issue counterfeit bank-notes was discovered last week in Fatshan, a large town near Canton. Two Italians and one Russian are alleged to be involved in the affair, and are reported to have been arrested in a Chinese hotel.

The Hunan Provincial Government has selected a site at Yuehlushan on the outskirts of Changsha, as the burial ground for the late Dr. V. K. Ting, noted Chinese geologist, and former general secretary of the Academia Sinica, who died last January of gas poisoning.

The Nanking Ministry of Finance April 14, instructed the Central Bank of China to remit a sum of 51,700 francs to the International Chamber of Commerce at Paris. This sum represents the membership fee of the Chinese Government and the Chinese contribution to the foundation fund of the Chamber.

The Nanking Ministry of Industry April 3 approved an application of the National Match Producers Association for monopolistic rights over match production and consumption control for its member corporation for a period of five years. During the stipulated period no new match factory will be allowed to be established.

Advices from Nanchang state that it is understood that the British and American Consuls in Hankow have both submitted requests to the Chinese authorities asking the latter to restore the freedom of the people in the purchase and sale of petroleum in the former Red area in Kiangsi. The sale and purchase of petroleum in Kiangsi was banned when the authorities effected an economic blockade in the Kiangsi Communist districts.

With the mission of conferring with Gen. Yen Hsi-shen, Pacification Commissioner of Shansi, on closer Shansi-Shensi co-operation in the anti-Communist drive, Lieut.-Gen. Kuo Kwei-tse, commander of the 84th Division in Shensi, departed from Peiping April 20 for Taiyuan by train. Interviewed prior to his departure Gen. Kuo stated that the Red remnants under Liu Tse-tan in northern Shensi have now dwindled to an insignificant number, which were now being rounded up by troops of his division.

Chiang Kai-shek, president of the Executive Yuan, who is now in Chengtu, has extended an invitation to the China Olympic Soccer Team to visit Nanking on April 30. The team is due here from Hongkong end of this week.

Julean Arnold, U.S. Commercial Attache, returned to Shanghai last week with Mrs. Arnold from a trip to Hongkong and Canton, where Mr. Arnold had been making an investigation of commercial conditions.

The China Psychological Hygiene Association was inaugurated at Nanking, April 19 before a gathering of over 200 members and representatives of various academic and official organs, with Wu Nan-hsuan presiding.

Newspaper publishers in small towns along the Shanghai-Nanking Railway, are opposing the circulation campaign launched by three of the large local newspapers, the *Sin Wen Pao*, the *Shun Pao*, and the *China Times*. The older papers are offering cut rates so as to prevent the Shanghai edition of the *Ta Kung Pao* from making too great inroads.

The Overseas Affairs Commission at Nanking has sent a telegram to the Kwangtung Provincial Government requesting the latter to conduct an investigation into the case in connection with the detention of more than 600 Chinese by the Siamese authorities when arrived in Siam from Swatow in two separate groups on February 20 and 29 respectively.

The first meeting of the National Committee on the Observation of the Solar Eclipse (Chung-Kuo Jih-Shih Kuan-Tse Wei-Yuan-Hui), organized under the auspices of the Academia Sinica, was held in Nanking April 17 under the chairmanship of Ting Hsi-lin. 16 members were present. It was decided to despatch two representatives to Russia and two to Japan, to observe the eclipse on June 19 this year.

The directors of the Canadian Pacific Railway at a recent meeting again decided not to declare any dividends in view of the necessity for conserving the company's cash resources. The gross earnings of the railway increased by $4,135,950 in 1935, to $129,678,904, but working expenses, including taxes, were up by $6,122,449, leaving net earnings $1,986,499 lower at $22,397,524. Other income rose $1,481,701.

Huang Ming-yu, the proprietor of a Chinese news agency in Peiping who was arrested some time ago on charges of Communist activities, was among six persons executed at Tien Chiao near Peiping, April 15. Two others were robbers and the remaining three were sentenced to death by the headquarters of the Pacification Commissioner for Hopei and Chahar because they were convicted grave robbers.

A concert which was to have been given in Shanghai by Chaliapin at the Grand Theater in Shanghai last week was called off at short notice, and the impresario departed suddenly for Japan. Purchasers of tickets had their money refunded. The concert had been advertised as a "farewell recital," but when Chaliapan heard that he was expected to give a charity performance for the benefit of the Russian refugees here he decided to call the whole thing off.

Examinations for the Degree of Master of Arts (*Shih-Shih*) will be conducted by the postgraduate schools in this country in June, the end of the current academic year. In a circular order issued at Nanking April 17 to the various universities, the Ministry of Education instructed that these examinations be conducted in accordance with the Detailed Regulations governing Examinations for the Degree of Master of Arts

A divorce was granted at Columbus, Ohio, April 16 to Viola Brown, a salesgirl who married James Lin, nephew and foster son of Lin Sen, chairman of the National Government of China. Petitioner testified that James Lin returned to China last December, and did not intend to live with her again. In granting a divorce, the judge also approved of a property settlement. The amount was not disclosed, but it is believed to be between U.S. $3,000 and U. S. $4,000.

The local German community opened a Nazi clubhouse at Point Island, near Woosung, April 19, which has been named after Reichspresident Hitler's slogan, "Strength Through Joy,"—Kraft Durch Fruede. Native costumes representing different parts of Germany were worn by some of the visitors at the opening ceremony. Point Island is made up of sand deposit. The land, owned by the Chinese Government, is rented out to various groups as resorts.

All the 62 native sugar firms in Shanghai are reported to be on the verge of closure, being unable to compete with the sugar sold by smugglers, at impossibly low prices. The native sugar is piled high along the Nantao Bund. During the past two months only $200,000 in business has been transacted. Since last year, the native sugar business has suffered a great deal because of smuggling on a large scale in North China. The sugar hongs have petitioned the Government for assistance.

Finn Koren, new Norwegian Minister to China, Japan and Siam, accompanied by Mme. Koren, arrived in Shanghai April 19. After he has presented his letter of credence to the National Government he will leave for Tokyo to take up his office as Norwegian Minister to Japan. M. Koren will return to China for an extensive tour following a brief stay in Japan. The Minister was honored April 20 at a dinner given by M. N. Aall, Norwegian Consul in Shanghai, who is returning to Norway next month on home leave.

J. C. Sun, member of the staff of *Reuters* service in Peiping, who was a delegate to the recent Rotcry Convention in Shanghai, has gone to Hangchow for a brief vacation prior to returning to Peiping. Mr. Sun is a native of the Tsungming district near Shanghai.

Twenty thousand Kwansai-grown bees arrived in Shanghai from Japan this week. This is the largest shipment that has been made to China since the troubled days of 1932. Before that time, yearly shipments of Japanese bees to China exceeded 200,000,000 bees, valued at Yen 2,000,000.

Arrests made in Shanghai this week of several men and women indicate that the slaying of Warrant Officer Nakayama of the Japanese Navy, which, when it occurred in Darroch road last November, created a furore in Japanese circles, came about as the result of a cabaret quarrel and that the incident had no political signficance.

Quo Tai-chi, the Chinese Ambassador to Great Britain opened the art exhibition in London April 17 at the Victoria and Albert Museum of the Eumorfopoulos collection of Chinese art. The collection numbers 2,500 pieces, of which only 200 were shown at the Burlington House exhibition. Mr. Eumorfopoulos is selling his collection to the Britirh nation at a sacrifice, and one purpose of the present exhibition is to arouse public interest in it, so the balance of the puchase money may be forthcoming.

China Merchants Steam Navigation Company Negotiates for Loan Readjustment

Negotiations have been completed between the Ministry of Communications and the Chinese banks in Shanghai for the readjustment of the foreign loans of the China Merchants Steam Navigation Company, amounting to $40,000,000. It is reported that the loan agreement will be signed as soon as the arrangement are approved by the Central Government. For the development of the business of the company, the Ministry of Communications has sent a resident representative to the head office of the company in Shanghai to assist the management of the company.

The B. O. T. Parade!

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SHANGHAI

New Books of Interest in the Far East

The Problems of Australia

Australia and the Far East: Diplomatic and Trade Relations. Edited by I. Clunies Ross, with a foreword by Sir Thomas Bavin, K.C.M.G.K.C. Sydney, Australia, Angus and Robertson, Ltd., in conjunction with the Australian Institute of International Affairs, 1935, 310 *pages*. 7*s*6.

Australia and War Today: The Price of Peace. By W.M. Hughes, P.C.,K.C., M.P., Sydney, Australia, Angus and Robertson, Ltd. 1935. *vi*,168 *pages, appendices*. 6*s*.

These two books are direct antitheses one of the other. The Australian Institute of International Affairs alleges that a basis for peaceful progress and development of Pacific countries will be found only when those countries understand one another. The Institute maintains that newspapers and public speakers have done a real disservice to Australia by ill-advised publicity on "certain supposed aspects of Japanese policy which it is alleged may affect or even menace Australian security." While one book tries to clear the way for a better understanding, the other book, Australia and War Today, is an immpassioned call upon Australia to arm itself against dangers from various nations. Where one book is an appeal to quiet reason, the other is heated propaganda.

The collection of studies on the diplomatic and trade relations of Australia and the Far East is the first of a series of studies on this subject by the New South Wales branch of the Australian Institute of International Affairs. The book is divided into two sections. The first four studies which present the general background of the subject and deal with the diplomatic relations are more effective than the chapters of the second section which deal with the problems of Australian trade in the Far East. (This may possibly be because trade prospects can not be presented in too encouraging a light.)

The first division discusses with some fulness the diplomatic, cultural and social contacts under the following titles: History of the contacts between the Orient and Australia by S.H. Roberts, Professor of History in the University of Sydney; Australia and oriental immigration 1900-1934, by Margot Hentze, Lecturer in the University of Sydney; Diplomatic relations in the Pacific by Sir Robert Garran, K.C.M.G.,K.C., formerly Solicitor-General, Commonwealth of Australia; The influence of Japanese culture and tradition on her foreign relations by A. L. Sadler, Professor of Oriental Studies in the University of Sydney. In this part of the book there is a well marked preoccupation with Japanese and with the immigration restrictions which have been Australia's "foreign policy" and have generally have been the cause of ill-feeling in the oriental countries.

One of the most interesting schemes for development in northern Australia was the plan of 1877 to induce Japanese emigration to Australia. Wilton Hack was appointed by the South Australian government to deal officially with Tokyo in the matter. Early in February 1877 the Japanese Foreign Office agreed to the general principle of the scheme, and arrangements were made for the transportation of more than three hundred Japanese. The whole plan was ended by the beginning of the Satsuma rebellion, and by this accident of circumstance Australia was left free to enunciate its White Australia Policy. The immigration problem is not only discussed from the racial point of view but pains are taken to show the primary position which geography and economic questions must play in any consideration of a large Australian population.

The whole matter of Australian foreign trade is shown as a complicated problem, with small possibility for advance until comparative costs, transporation costs and political factors become more favorable to Australian exporters. After a discussion of the general problem of Australian trade with the Far East by E. Roald Walker, Lecturer in Economics in the University of Sydney, there follow separate studies of trade between Australia and Japan, Netherlands India and China, by I. Clunies Ross, J.G. Crawford and H.D. Black respectively, all of the University of Sydney. Here again is sounded the note of Japan's importance to Australia:

> "It is not too much to say that the future prosperity of Australia will to an increasing extent be dependent upon that of her great neighbor in the Far East (Japan.)"

China as a possible market for Australian production is presented by a rather discouraging picture and the rate at which Australia can anticipate enjoying the benefits of expanding Chinese demands is likely to be very slow. In the section dealing with China, practical advice to exporters is given, and the government is urged to make reciprocal tariff agreements with China.

The book by Mr. Hughes, the war prime minister of Australia, is an attack on the type of diplomacy used since the Treaty of Versailles, a homily upon the dangers attending the lowering of national defense and a warning against the placing of trust in the League of Nations. After having enlarged upon these theses in the greater part of the book, Mr. Hughes turns to the problems and dangers of an undefended Australia.

"With our small population, our great territories, our far flung coast-line, we are of all nations in the Pacific the most vulnerable and the most open to attack. Yet although other Pacific nations are armed to the teeeth, we are practically defenseless." And he quotes Captain Thring, former chief of the Australian War Staff,

> "The future of western civilization depends on our continued possession of Australasia. This territory should be regarded as the key to the status quo in the Far East. None of the nations owning property there can afford to be ousted."

There are many statements in the book which will not contribute to the amity of nations.

The author shows that before the World War Australia had an adequate defense, based upon the assumption that Britain was mistress of the sea. Now, however, he believes that Britain has lost her former position through her disarmament program and that in case Australia were attacked by a first rate nation, Britain would not send her navy to the Pacific area. He sees Australia "rudely awakened to the stern and terrible facts of life" by the present Italo-Abyssinian imbroglio, by the Manchukuo situation, and by the belief that a strong and developing Germany would not pass by Auttralian markets or territory. Under such circumstances the responsibility for Australia's defense will devolve upon the nation itself. Since the defense policy must be limited by the resources of the state, Mr. Hughes believes that Australia must rely upon aircraft, rather than upon the too-costly naval defense.

The book is clearly propaganda written to arouse the people of Australia to engage in a movement for larger national defense forces. With this as his purpose the author has laid particular stress upon all materials which contribute to strengthen his point, regardless of national feelings.

F.M.R.

Recent Pamphlets Received

The 1934-35 Report of the National Library of Peiping mentions that a great increase is to be noted in the reference works of the Library. More persons have taken advantage of the facilities of the reference service. The Library is increasingly patronized by students and investigators in pursuit of most varied inquires. Accommodation available for readers especially in afternoon has been severely taxed. Statistics show a steady increase in the demands by the public upon the facilities of the Library.

Discussing "Japan's Trade Boom—Does It Menace the United States," T. A. Bisson writes in *Foreign Policy Reports*, Mar. 15:— "Single-handed efforts to cut off Japan's export markets serve to stimulate and justify the latter's report to further territorial conquest. Even unilateral political action by the United States, especially when it takes the forms of building up its naval and military forces, cannot be relied upon to achieve a sound and adequate settlement of this issue. It must be handled by collective action, through such instruments as the Nine-Power Treaty or the Far Eastern Advisory Committee of the League of Nations. A general international settlement will afford the best guarantee of stability and peace in the Far East, on which the prosperous development of the trading interests of all nations in that area ultimately depends."

Research Writer Points Out Inequity of Usurious Interest Rates in China

"Because of a rural credit system which permits interest rates of 100% or higher, millions of Chinese peasants, overwhelmingly in debt to all-powerful landlords and merchants, are being wholly or partially deprived of their lands. This has led to decreased agricultural productivity, to a shrinkage in national purchasing power, and has been a fundamental cause for China's tremendons decline in domestic and foreign trade during the past few years," according to Leonard T. K. Wu, research associate, writing recently in the *Far Eastern Survey* to the American Council, Institute of Pacific Relations.

"At least 50% of the Chinese peasants are in debt, in varying degree. Some 29,000,000 farm households owe more than $2,300,000,000 (Chinese) to rich landlord or merchant creditors who control over 95% of the capital available for rural credit," claims the writer. "This means that the peasants, who constitute over three-quarters of China's population, are now undergoing a life and death struggle, and are facing utter collapse of their economy."

The Root of the Ricsha Trouble—The Fight for a Living

Commenting on the disturbances resulting from the registration of the ricksha pullers on April 14, the *Sin Wen Pao* in an editorial said: "The disturbances caused by the ricksha pullers are but natural, as it is a fight for a living. Seeing that they cannot register with the authorities, which opens the only hope to be employed, the ricksha pullers are angry and hence the disturbances. It is hoped that the authorities in the Settlement should always bear in mind that the ricsha pullers are poor and are always ready to fight for work. It is only with an understanding of this condition, that we may hope for a satisfactory solution of this problem..

Plans of Academia Sinica Envisage Comprehensive Activities

Embodied in 11 resolutions, plans for the current year of the Academia Sinica, the foremost research institution in China, were formulated at the second annual meeting of the Council of the Academy held in Nanking April 17. Following is a summary of the more important of the 11 resolutions:

(1) Scientific research in China should be conducted to meet the actual requirements of the Chinese nation and society, such as the phases of national defense and productive enterprises.

For its realization it was decided that in the matter of budget fixation and research procedure, all the subordinate institutes under the Academy and other independent research institutes in China should carry on their work on this general principle.

Another decision was that the various governmental organs should approach the Academy in any problems on which they should wish to have researches made so that the Academy may compile a record of the results achieved on the respective problems in question.

(2) Research work in China as well as in foreign countries should be better co-ordinated.

It was decided that the Chinese embassies and legations and educational commissioners stationed abroad should every year submit a list of research problems and results conducted by Chinese post-graduate students abroad.

It was also decided that the Ministry of Education and the Waichiaopu should notify the Academy of any international academic conventions held anywhere in the world so that the Academy may decide whether or not to attend same or to furnish materials to the government as reference.

To better acquaint the various research institutes at home with research developments abroad, it was further decided to collect materials on the organization, history, literature and scope of work of the various international research institutions for reference.

(3) All libraries of the various institutes under the Academy scattered in various parts of the country should be opened to the public so as to extend reference facilities to research students.

(4) Encouragement and technical assistance should be extended by the Academy to the various Chinese firms for the manufacture of scientific apparatus.

With regard to internal administration of the Academy the meeting decided to appoint Dr. Weng Wen-hao, eminent geologist and Secretary-General of the Executive Yuan, to the post of Secretary-General of the Academy to succeed the late Dr. V. K. Ting who passed away last year in Hunan.

The Councillors of the Academy who attended the meeting were: Dr. Hu Shih, Dr. Li Chi, Dr. Wang Shih-chieh, Dr. Li Shu-hua, Dr. Weng Wen-hao, Dr. Franklin Ho, Chen Yuan, Dr. Wu Hsien, Dr. Chao Yuan-jen, Dr. Yeh Chi-sun, Dr. Tao Meng-ho, Dr. Hu Ching-fu, Dr. Robert Lim, Dr. Chu Ke-chen, Dr. Yu Ching-sung, Ting Hsi-lin, Chuang Chang-kung, Chou Jen, Dr. Fu Sze-nien, Wang Ching-hsi, Wang Chia-chi, Dr. Hou Teh-pang, Chao Cheng-ku, Li Hsieh, Ling Hung-hsun, Tang Ping-yuan, Hsieh Chia-sheng, Chen Huan-yung, Dr. Chu Chia-hua, Chang Chi-chun, Wu Ting-liang and Kuo Jen-yuan.

Mexican Ban on Gambling Causes Near Riot at Tia Juana

Twelve hundred Federal (Mexican) soldiers patrolled Tia Juana, April 15, and government rations were issued to the populace after a bitter mass meeting of unemployed. Speakers at the meeting denounced the government's recent ban on gambling which has caused the closure of virtually all business at both Tia Juana and Agua Caliente.

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The National City Bank of New York, Rates of Exchange

Shanghai, April 22, 1936

Demand selling rate on America:	U.S. $1.00=Sh. $ 3.31
Demand buying rate on America:	U.S. $1.00=Sh. $ 3.36
Demand selling rate on London:	£1.00=Sh. $16.44
Demand buying rate on London:	£1.00=Sh. $16.66

In the United States Court for China

In re.
Last Will & Testament
of
JOHN A. SNELL,
Deceased.

Cause No. 4041
Special Proceedings
No. 1062
NOTICE
Filed at Shanghai, China,
March 26, 1936
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN A. SNELL, deceased, to present the same with vouchers to the undersigned on or before October 4th, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

JOHN W. CLINE,
Executor,
10 Young Allen Terace,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
Estate
of
FRANK R. VIDA,
Deceased

Cause No. 4043
Special Proceedings
No. 1060
NOTICE
Filed at Shanghai, China,
April 8, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FRANK R. VIDA, deceased, to present the same with vouchers to the undersigned on or before October 10, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

WILLIAM J. GANDE, Executor,
31 Peking Road,
Shanghai, China.

Shanghai, China.

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THE PEIPING CHRONICLE

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Japanese Protest Student Activities in Fukien Province

Toyoichi Nakamura, Japanese Consul General at Foochow, called on General Chen Yi, chairman of Fukien province, last week on two occasions to protest against the alleged anti-Japanese activities of students in said province. According to the Japanese official, large sheets carrying reprints of newspaper articles alleging that Japanese instigated autonomist activities in the southern part of the province, were distributed to various schools by the Students' Self-Government Society of the college, a missionary institution. The Chinese authorities declare that the issue is out of their hands inasmuch as the school is beyond their jurisdiction. They, however, agreed to take whatever action they could, should investigations support the Japanese allegation.

Middle School Chiefs in North Plan to Make Trip to South

A number of middle school principals in Peiping are making plans for the organization of an inspection party to visit cities along the Tientsin-Pukow Railway and study educational conditions. According to arrangements, their itinerary will include Nanking, Shanghai, Tientsin, Hsuchow, Tsinan and Taian.

Hopei Orders Uniforms for Students

In a circular order to all provincial schools issued at Paoting, April 17, the Hopei Education Department directed that all student uniforms are to be standardized according to specifications announced by the authorities. Boy students shall wear black for winter and white for summer; girl students will wear blue for winter and white for summer.

Fuh Tan Students Resume Classes

As a result of the persuasion by members of the Board of Directors, the students of the Fuh Tan University resumed classes April 15.

Chinese Students Visit Japan

Twenty-nine students from the Catholic University and other schools in Peiping, led by two professors, departed Tientsin for Japan April 20 for a week's visit.

Mass Education Center to Remain in Tinghsien

Reports that the internationally known mass education experiment centre in Tinghsien, southern Hopei, will be moved southward because of political conditions in North China were categorically denied by Hsiung Fu-hsi, secretary-general of the Tinghsien experiment, April 16.

Mr. Hsien says that instead of removing, the experiment which so far is confined within the precincts of Tinghsien will be extended to the whole of Hopei. He says arrangements have already been completed for close co-operation between Tinghsien Experiment and the educational authorities in Szechwan, Hunan and Kwangsi. Similar arrangements, it is stated, are now being made with Honan and Suiyuan.

Soviet Oil Trust Withdraws from Joint Oil Sales Agreement

Declaring that the joint sales agreement limits itself from development, the United Petroleum Trust of the USSR is reported to have withdrawn from the joint sales agreement entered into with the American Standard Oil Company of New York, the British Asiatic Petroleum Company and the Texaco Oil Company. It is expected that Soviet oil will be sold in the market at a lower rate, in accordance with the exchange rates of roubles and Chinese dollars. The *Shun Pao* stated, with regard to the attempt of the Japanese merchants to dump Fushun oil in the local market, that it has been definitely found impossible, as the Fushun oil is much inferior in quality when compared with oil of other countries.

As a result of the monopoly of oil instituted by the Manchurian Government, both American and British oil interests are stated to be withdrawing from Manchuria. The manager of the Manchurian office of the American Standard Oil Company of New York has left for Siberia on his way back to New York. Other officials of the company will leave Manchuria as soon as the stock of the company is sold. The British Asiatic Petroleum Company is winding its business in Manchuria.

Chinese Immigrants Still Dominate Malaya

Despite various immigration restrictions, the Chinese population in the Malayan Peninsula sitll form the largest foreign group there, according to figures released by the Overseas Affairs Commission in Nanking, April 20. The figures reveal that the Malayan popuiation is now 4,571,447 of which 2,101,460 are natives, 1,739,460 are Chinese and the remaining 730,527 people of other nationalities. Of the 1,739,460 Chinese 737,528 are in the Federated Malay States, 654,136 in the Straits Settlements, and 347,796 in the Unfederated Malay States.

China Foundation Trustees Hold Annual Meeting in Shanghai

The Twelfth annual meeting of the Board of Trustees of the China Foundation for the Promotion of Education and Culture was held in Shanghai, April 18.

The business transacted included the adoption of the reports of the Honorary Secretary, the Honorary Joint Treasurers, the Executive Committee and the Acting Director.

The following budgets for the direct and joint enterprises of the Foundation for the fiscal year of 1936-37 were then approved:

Board of Trustees, Director's Office, and Endowment Funds Department	$140,000
Science Teaching Professorships	80,000
Science Research Professorships	32,000
Scientific Research Fellowships and Prizes	122,000
Committee on Editing and Translation	42,000
National Library of Peiping Current Fund and Book Purchases	176,000
Fan Memorial Institute of Biology	89,000
Institute of Social Research, Academia Sinica	80,000
National Peking University and the China Foundation Co-operative Fund	100,000
Soil Survey	50,000
Total	$911,000

The following grants-in-aid to various educational and research institutions for 1936-37 were passed:

China Institute in America	U.S.$ 6,000
Society for Research in Chinese Architecture	$ 15,000
Medical College, Cheeloo University, Shantung	14,000
Science Society Biological Laboratory	52,000
Boone Library School, Wuchang	15,000
College of Science, Nankai University, Tientsin	20,000
College of Agriculture, University of Nanking	6,000
Research Institute of History and Philology	30,000
Amoy University	8,000
Golden Sea Research Institute of Chemical Industry	10,000
Geological Survey	96,000
Yenching University, Peiping	15,000
Lingnan University Plant Pathology Work, Canton	5,000
Central China College	6,000
Shanghai College of Medicine	30,000
West China Union University, Szechuan	25,000
Sun Yatsen Univ. Botany Research Inst., Canton	10,000
Bot. Research Inst. Univ. Kwangsi	5,000
Total	U.S.$ 6,000
	C.S. $362,000

Bank of Communications Annual Report Shows Sound Condition

The report of Chairman of the Bank of Communications (Y. Hou) to shareholders at the annual meeting of the Bank, at 14 The Bund, Shanghai, April 18, included a survey of the economic conditions of the world. Regarding China, Mr. Hou stated that the conditions during the first half of the year were worse than in the previous year. Nevertheless, the total deposits stood at $331,474,000 at the end of the year. This was an increase of $89,427,000 over 1934 and $118,482,000 over 1933. Loans and investments stood at $254,678,000 at the end of 1935, being an increase of $39,786,000 over 1934. All in all the Bank is in a flourishing condition, and one can easily see that the assurance "that the Bank is prepared to associate itself with whatever endeavors will bring economic well-being go the nation" (contained in the report) will probably be lived up to.

Japanese Banker Asked to Produce Accounts in Japanese Spy Case in Los Angeles

At the request of immigration officials, a Federal Grand Jury in Los Angeles, Apr. 16 subpenaed B. Hirano, assistant manager of the San Francisco branch of the Yokohama Specie Bank, to produce the accounts of two Japanese believed to have been implicated in a recent naval espionage case. The bank official was asked to produce records of November and December, 1934, dealing with the accounts of Tani Miyasake and Tosio Miyasake in connection with the alleged "naval spy" case involving Harry Thompson, who was said to have obtained naval information while wearing the garb of a United States sailor.

Chinese Ratepayers Ask for More Councillors in Foreign Settlement

A demand for an increase of four more Chinese councillors, the abolition of the Municipal Orchestra and the Ricksh Board and the reorganization of the Pullers' Mutual Aid Association were among the resolutions passed at the resumed meeting of the Chinese Ratepayers Association held in the Bankers Club, in Shanghai April 18. Wang Shao-lai presided and more than 60 out of 81 delegates attended. Tseu Yih-zan was elected as the sixth committeeman, the other five being Messrs. K. H. Ling, Chu Wen-chi, Hsu Siao-chu, Yue Hwa-lung and Chen Chi-chen. Eugene Kiang, one of the five Chinese councillors re-elected for the ensuing year, tendered his resignation on grounds of pressure of business but this was rejected by the assembly.

A claim for control of the S.M.C. spending policy was contained in a mildly phrased resolution requesting the Council to answer "why it failed to put into effect the association's demanding the inspection and approval of the annual budget."

The resolution, passed unanimously, pointed out that a previous communication asked for distribution of the Council estimate before April 1 among Chinese ratepayers. At present, the budget is only approved by the meeting of the Settlement's foreign ratepayers.

Japanese Make Huge Purchases of Salt in North China

According to agreement reached between the Japanese joint salt corporation and the Chinese salt production companies in the Changlu districts, the former will purchase 500,000 tons of salt instead of 1,000,000 tons as previously reported.

The first consignment of 2,500 packages of salt, which the Japanese purchased at Changlu was exported from Tientsin to Japan. March 25. With the purchase of salt from Changlu, the Japanese will not purchase any more salt from Tsingtao. According to salt merchants, Japan purchased 800,000 piculs of salt from Tsingtao annually in the past years.

At the request of the Japanese authorities, the Hopei and Chahar Political Affairs Council instructed the Changlu salt administration to sell salt to a joint Japanese salt corporation for export to Japan. It is reported that the Japanese chemical factories are using large quantities of salt every year.

According to financial circles, large numbers of Japanese are smuggling salt from North China to Japan. These Japanese smugglers are well organized, and are using motor trucks and motor boats.

Marshal Li Tsung-jen Suggests a Solution for the Sino-Japanese Problem

Marshal Li Tsung-jen, Commander-in-chief of China's Fourth Army Group, expressed his views on how to meet Japan's aggression on China, in a recent interview in Canton. He said, among other things, that China's most urgent need today is the salvation of her people. "In order that the Chinese people may attain liberty and equality with other peoples and lest China's territorial integrity be further jeopardized, the present impossible state of affairs cannot be allowed to continue. We must be aroused from our lethargy. We must move our people to a struggle for national emancipation. We must be prepared to answer our aggressors with resolute measures and, true to our great tradition of self-help and independence, to see our country reduced to ashes rather than submit. Only thus can China exist. In this way alone can we arrive at an amicable and permanent solution of the Sino-Japanese problem," Marshal Li declared.

British Chamber and China Committee Hold Annual Meetings in Shanghai

The Shanghai British Chamber of Commerce and the China Association Committee, Shanghai branch, held their annual meetings April 16. R. Calder Marshall, chairman of the Chamber, reviewed the year's economic events, with particular reference to the socalled "autonomy movement" in North China, which he said was a much more serious matter than the Communist menace, of which so much had been heard. Louis Beale, Commercial Counsellor, stated that British trade was now well on the road to recovery and this should be of significant importance to China, where he foresaw a period of considerable expansion. H. G. W. Woodhead presided at the meeting of the China Association Committee. In the course of his remarks he said that every factory or industry established with foreign capital and under foreign management in China is an asset.

R. Calder Marshall, chairman of the British Chamber of Commerce, who was recently awarded the Order of the Brilliant Jade by the Chinese Government, was warmly congratulated on the honor by Sir John Brenan at the meeting. Sir John said that the award was a mark of Sino-British goodwill, to which Mr. Calder Marshall had contributed so much.

Huge Aggregation of War Vessels at Shanghai —Seventy Japanese Warships at Tsingtao

Probably by accident and not design, Shanghai during the week saw one of the largest assemblage of foreign war vessels ever gathered together in this port—American, British and Japanese. The presence of a British submarine flotilla was unusual. The British submarines and their depot ship, H.M.S. *Medway*, came here from Hongkong and are expected to stay here until May 12, when they will leave for Weihaiwei. More than a dozen American destroyers arrived here from South China end of last week. The mother ship *Black Hawk* has so far not come here. The *Augusta* went to Nanking and did not call at Shanghai. It is understood that the U. S. submarine division will also arrive here about end of this week. Among the large vessels in port were two Japanese training cruisers, the *Iwate* and the *Yakumo*, while the *Idzume*, flagship of the Third Japanese Fleet is up the Yangtsze.

Close on to two hundred Japanese midshipmen visited Shanghai for several days this week and were given a hearty reception by the local Japanese community.

The gathering of Japanese warships here at Shanghai was as nothing compared to that which assembled at Tsingtao, where a total of 70 warships steamed into the harbor April 16, and then departed for Japan after a stay of three days. The vessels comprised the Japanese Combined Fleet and were commanded by Admiral Takahashi. The Tsingtao officials gave a round of entertainments for the visitors, among those in attendance being Gen. Han Fu-chu, chairman of the Shantung provincial government and General Ma Hung-kwei, chairman of Ninghsia, who was also in Tsingtao.

Admiral Murfin Calls on Officials at Nanking

Admiral O. G. Murfin, Commander of the United States Asiatic Fleet, arrived in Nanking April 7 aboard the U.S.S. *Augusta*, flagship of the fleet, accompanied by Mrs. Murfin and daughter. During their visit in the Capital they were the house guests of Willys R. Peck, Counsellor of the American Embassy in Nanking, and Mrs. Peck.

Admiral Murfin called on Gen. Chang Chun, Minister of Foreign Affairs, Admiral Chen Shao-kwan, Minister of Navy and Gen. Ho Ying-chin, Minister of War.

Oriental Development Co. Finds It Difficult to Issue Debentures

The Tokyo *Asahi* of April 14 stated that the issue of Yen 15,000,000 worth of Oriental Development Company debentures is now beset with difficulties owing to objections raised by the Finance Ministry concerning the conditions of issue. With S.M.R. debentures, Tokyo Municipal debentures and other debenture transactions on schedule, developments of the matter are being watched with much interest. The Oriental Development Company itself is pressed by the necessity for raising funds, so that it sees nothing to complain of in the conditions of issue as previously fixed.

The syndicate banks, however, and the bond brokers are absolutely opposed to lowering of the interest rate so far as the Oriental Development debentures this time are concerned. If a change is to be made, they urge that only the term of expiration be prolonged about a year or merely the brokerage rate be lowered.

The Oriental Development Company, it may be mentioned, was originally organized to promote migration of Japanese to the Kwantung area, Korea and Manchuria. This concern, because of its land leasing policy in the Wanpaoshan area, was largely responsible for the riots which occurred there several years ago concerning irrigation rights, land tenure, etc. Much of its financing was done with money borrowed in the United States.

Agricultural Foundation Bureau Is Sponsored by Industry Ministry

In order to promote the development of agriculture and facilitate the rehabilitation of the rural districts, a special organ, known as the Agricultural Foundation Bureau (*Nung-Peng Chu*), is to be established under the auspices of the Nanking Ministry of Industry. A set of detailed measures governing the organization and functions of the Bureau has already been drawn up. It is understood that the new organ will be formally inaugurated on July 1 next. Support for the project was obtained by Wu Ting-chang, Minister of Industry, from the various banking leaders in Shanghai at a meeting last week. Suggestions on the subject are solicited by the Ministry, which has requested the banks interested to forward their views to the Ministry before May 15.

According to the Outline of Measures governing the Agricultural Foundation Bureau, the aim of the Bureau is to assist the peasants financially and facilitate the distribution of agricultural produce.

The Bureau will be jointly established by the Government and private interests. It will have a Board of 13 Directors, 7 of whom will be designated by the Government and six elected by the private or Government banks interested.

Kleffel Lawyer Asks That Municipal Prosecutor Bryan Retire from Case

Exclusion of R. T. Bryan, Municipal Advocate, from participation in the prosecution of Julius Kleffel, former Manager of the defunct American-Oriental Banking Corporation, in the second Kiangsu High Court, was requested April 18 of Judge Tsoong by Dr. Oscar Fischer counsel for the defendant, on the occasion of the first hearing of his appeal against the six months' imprisonment and $1,000 fine imposed by Judge Dzien in the First Special District Court more than one month ago.

Mr. Kleffel was acquitted of charges of fraud and misappropriation and the Shanghai Municipal Police have taken counter-action against the former banker's appeal by entering appeals against the acquittals on the latter two counts.

Dr. Fischer, in asking for the exclusion of Mr. Bryan from the case, contended that the Municipal Advocate had a personal interest (a deficit of $22,000 in the defunct bank) in the matter and therefore had no right to prosecute. The attorney also contended that Paul Y. Ru, Assistant Municipal Advocate, had no right to appear for the prosecution since he was Mr. Bryan's assistant.

After some arguments, Judge Chun, who alone sat in the court, overruled the request that Mr. Bryan be prohibited from appearing as the prosecutor, whereupon Dr. D. S. Chen said he wished to file a protest against the Judge's ruling which, Dr. Chen said, was made against the law.

Dr. Fischer then rose and said that according to Art. 21 of the procedure law, such applications had to be decided by a Full Court, and, according to Art. 22, if such applications had been made, the proceedings had to be stayed.

More arguments about the question of adjournment followed, after which Judge Chun ordered an adjournment.

The defense asked that the court order the police to make an examinaton of certain deposits held in native banks in Shanghai by "Dick" Wang, former compradore of the A.-O.B.C. Mr. Wang was one of the principal witnesses for the prosecution but it was contended by the defense that the burden of responsibility for the irregularities found in connection with the A.-O.B.C. deposits rested on his shoulders. It was argued by the defense that the real reason it was desirable to have the Wang accounts in local native banks examined was for the purpose of finding out who the real guilty party might be.

Shanghai Public Bodies Observe Anti-Narcotic Week

A large scale publicity campaign for the suppression of opium was launched in Shanghai in a brief ceremony held at the auditorium of the Shanghai Chamber of Commerce April 20. More than 1,000 representatives from various local public bodies attended the ceremony. Thoughout the week, propaganda has been conducted to persuade drug addicts to stop their habits, informing them of the strict and stern punishments awaiting them under the Opium Suppression Law which provides the death penalty for recidivist smokers and drug manufacturers. The week will be concluded with a lantern parade on Sunday evening in Nantao.

This Gentleman is Not A Burglar.

He is Mr. B.....leaving the office with a bilious headache after a liverish, miserable day. Whenever you feel in th same way it is wise to remember that a little dose of Pinkettes, taken when going to bed, dispels constipation, corrects torpid liver, banishes biliousness and sick headaches, and thus restores cheeriness and a general joy in life next morning. Medicine vendors everywhere sell Pinkettes, the gentle little laxative liver pills.

AIR MAIL and PASSENGER SERVICE

N. Shanghai-Peiping Line S.

7.30 *dep.*	Shanghai	*arr.*	13.50
8.42 *arr.*	Nanking	*dep.*	12.38
9.00 *dep.*	Nanking	*arr.*	12.20
11.00 *arr.*	Tsingtao	*dep.*	10.20
11.25 *dep.*	Tsingtao	*arr.*	9.55
13.12 *arr.*	Tientsin	*dep.*	8.08
13.17 *dep.*	Tientsin	*arr.*	8.03
13.50 *arr.*	Peiping	*dep.*	7.30

Douglas plane, N. Bound on every Tue. & Fri.—S. Bound on every Wed. & Sat. *Stinson plane, N. Bound on every Sun. —S. Bound on every Mon.

W. S'hai-Chengtu Line (Exp.) E.

7.00 *dep.*	Shanghai	*arr.*	16.50
8.00 *arr.*	Nanking	*dep.*	15.50
8.10 *dep.*		*arr.*	15.40
9.3[illegible] *arr.*	Kiukiang	*dep.*	14.15
9.45 *dep.*		*arr.*	14.05
10.30 *arr.*	Hankow	*dep.*	13.20
10.55 *dep.*		*arr.*	12.55
12.00 *arr.*	Ichang	*dep.*	11.50
12.10 *dep.*		*arr.*	11.40
14.05 *arr.*	Chungking	*dep.*	9.45
14.30 *dep.*		*arr.*	9.20
15.35 *arr.*	Chengtu	*dep.*	8.15

W. Bound on every Mon. & Thur. —E. Bound on every Tue. & Fri.

E. Chengtu-Chungking Line W.

12.00 *dep.*	Chengtu	*arr.*	16.30
14.00 *arr.*	Chungking	*dep.*	14.30

Daily Service

W. Shanghai-Hankow Line E.

7.00 *dep.*	Shanghai	*arr.*	11.45
8.20 *arr.*	Nanking	*dep.*	10.25
8.30 *dep.*	Nanking	*arr.*	10.15
10.22 *arr.*	Kiukiang	*dep.*	8.23
10.40 *dep.*	Kiukiang	*arr.*	8.05
11.45 *arr*	Hankow	*dep.*	7.00

W. bound on every Tue., Wed., Fri., Sat. & Sun.—E. bound on every Mon., Wed., Thur., Sat. & Sun.

W. Hankow-Chungking Line E.

7.30 *dep.*	Hankow	*arr.*	15.50
9.00 *arr.*	Shasi	*dep.*	14.20
9.15 *dep.*	Shasi	*arr.*	14.15
10.00 *arr.*	Ichang	*dep.*	13.30
10.15 *dep.*	Ichang	*arr.*	13.15
12.25 *arr.*	Wanhsien	*dep.*	11.05
12.40 *dep.*	Wanhsien	*arr.*	10.50
14.30 *arr.*	Chungking	*dep.*	9.00

W. bound on every Tue., Wed., Fri. & Sun.—E. bound on every Mon., Wed., Thur. & Sat.

S. Shanghai-Canton Line N.

6.30 *dep.*	Shanghai	*arr.*	15.00
8.25 *arr.*	Wenchow	*dep.*	13.05
8.45 *dep.*	Wenchow	*arr.*	12.45
10.05 *arr.*	Foochow	*dep.*	11.25
10.25 *dep.*	Foochow	*arr.*	11.05
11.35 *arr.*	Amoy	*dep.*	9.55
11.55 *dep.*	Amoy	*arr.*	9.35
12.55 *arr.*	Swatow	*dep.*	8.35
13.15 *dep.*	Swatow	*arr.*	8.15
15.00 *arr.*	Canton	*dep.*	6.30

S. Bound on every Tue. and Thur.—N. Bound on every Thur. and Sun.

CHINA NATIONAL AVIATION CORPORATION

EURASIA AVIATION CORPORATION

TIME TABLE

(Effective from April 1, 1936).

SHANGHAI-YUNNANFU (KUNMING) LINE

West Bound

						East Bound
Every Tues. & Fri.	6.30	Dep.	Shanghai	Arr.	18.15	Every Thurs. & Sun.
	7.45	Arr.	Nanking	Dep.	17.00	
	10.40	Arr.	Chengchow	Dep.	14.10	
	13.20	Arr.	Sian	Dep.	11.30	
	16.00	Arr.	Lanchow	Dep.	8.00	
	17.00	Arr.	Chengtu	Dep.	8.00	
Every Wedns. & Sat.	8.00	Dep.	Chengtu	Arr.	16.30	Every Wedns. & Sat.
	11.30	Arr.	Yunnanfu (Kunming)	Dep.	13.00	

PEIPING - CHENGCHOW LINE

South Bound

						North Bound
Every Tues. & Fri.	7.00	Dep.	Peiping	Arr.	17.30	Every Thurs. & Sun
	10.30	Arr.	Chengchow	Dep.	14.00	

LANCHOW - PAOTOW LINE

North Bound

						South Bound
Every Wedns.	8.00	Dep.	Lanchow	Arr.	17.20	Every Wedns.
	10.20	Dep.	Ninshia	Dep.	15.20	
	12.20	Arr.	Paotow	Dep.	13.00	

NOTES: 1. This time table is effective on and after 1st. April, 1936 and is subject to change without notice.
2. Special flights to other places can be arranged by special agreement.

Latest New York Stock Exchange Quotations

April 22, 1936

Stock Exchange— Business Done:-

Total Volume: 1,880,000 Shares

1935-36 High	Low	Div. $ per sh.	STOCKS	Last Sale Apr. 20	Apr. 21
13¾	4¼	0.10	Adams Express		
149⅝	110	4.00	American Can	121¼	12
39½	20¼	0.60	Amer. Cyanamid "B"	122	125¼
9⅝	2	—	American & For. Power	35¼	34⅝
42	14	—	American & Foreign Pwr. $7 pfd.	7⅝	7⅝
27¼	10½	—	American Radiator	34¼	34½
177¼	98⅝	9.00	American Tel. & Tel.	22	21⅝
107	74⅝	5.00	American Tobacco "B"	162⅞	163
24⅞	7⅛	—	American Waterworks	91⅝	91¼
39⅝	8	0.25	Anaconda Copper	22	22½
86½	35⅝	2.00	Atchison, T. & S. Fe	37¼	36¾
53½	18	—	Auburn	77	76¼
24	7¼	—	Baltimore & Ohio	41	41⅞
63¼	21⅝	—	Bethlehem Steel	19¾	19⅝
26¼	6¼	—	Boeing Airplane Co..	57¼	57
15⅞	8⅝	—	Canadian Pacific Railway	19¾	20¼
170½	45⅝	—	Case, J. I.	12⅜	12
47⅞	20¼	1.40	Chase National Bank	160	159
74	38	3.00	Chesapeake Corp.	38	37¼
60⅝	37¼	2.80	Chesapeake & Ohio	65½	63¾
103⅞	31	4.00	Chrysler	57	56¾
21⅛	8⅜	0.20	Columbia Gas & Electric	96⅛	96⅞
24⅛	16⅛	0.60	Coml. Solvents	18⅝	18¾
4⅝	0⅝	—	Commonwealth & Southern (ord.)	18⅝	18¾
36⅞	15⅞	1.00	Consolidated Gas of N. Y.	2⅝	2½
15¼	6¼	0.25	Consolidated Oil	31½	31¾
38½	15⅛	.87½	Continental Oil	13¼	13⅛
78⅝	60	3.00	Corn Products	33⅝	33¼
73¾	17¼	0.75	Douglas Aircraft	73¾	71¾
152	86⅝	3.60	Du Pont de Nemours	62¼	64½
24¾	8¼	—	Electric Bond & Share	142¾	144⅜
41½	20½	0.80	General Electric	20¼	20⅜
87¾	30	1.80	General Foods	42½	41¼
70⅝	26⅝	2.00	General Motors	37½	37⅝
50	15⅝	1.00	General Railway Signal	66¼	65⅞
22	14⅜	1.20	Gold Dust	39¼	39¼
31⅝	15⅝	—	Goodyear Tire & Rubber	18⅝	18½
75½	44	1.00	Humble Oil	28¾	29
53⅛	22¼	1.00	International Nickel	65	66
19	5⅝	—	International Tel. & Tel	47½	47½
41⅝	13⅜	1.00	Kennecott	14½	14⅜
55¼	31¼	2.00	Loew's Inc.	39	38⅜
26⅛	18½	1.20	Lorillard	43¼	43⅜
103	55	1.00	Monsanto Chemical	21⅞	22
45	21⅜	—	Montgomery Ward	96	94¾
41⅞	18½	1.00	National City Bank	41⅜	41⅜
25	12⅝	1.20	National Dairy Prods.	34⅝	34⅝
34¼	22¼	2.00	National Distillers	22¼	22
14⅜	4⅜	0.60	National Power & Lt.	30⅛	29⅞
42¼	12¼	0.10	New York Central	10⅝	10⅝
29¾	9	1.00	North American	36½	37
36½	19¼	1.50	Pacific Gas & Electric	26½	26¾
56⅜	19	2.40	Pacific Lighting	37¼	36⅝
12¼	3½	0.10	Packard Motors	52⅛	52
38⅝	17¼	1.00	Pennsylvania Railroad	10½	10½
49	18⅜	1.00	Phillips Petroleum	32	31¾
48¼	20⅝	2.40	Public Serv. of N.J	46	45½
14¼	4	—	Radio Corporation	40	40⅜
58⅝	43¼	3.00	Reynolds Tobacco "B"	11¾	11½
56¼	22	—	Schenley	51⅞	51⅜
69⅝	31	2.00	Sears Roebuck	42½	42⅝
17	10⅝	0.40	Socony-Vacuum	65½	66
28¼	10⅝	1.50	Southern California Edison	14⅝	14¼
38½	19⅜	—	Southern Pacific	26½	26⅛
19¼	12½	0.80	Standard Brands	32⅝	34
9¼	1½	—	Standard Gas & Electric	15½	15½
69½	35⅜	1.00	Standard Oil Co. of N. J	6¾	56⅜
71⅜	58⅜	3.80	Sterling Products	62¼	62½
38⅜	28⅜	2.00	Texas Gulf Sulphur	69½	68⅜
14⅝	4⅞	0.30	Transamerica	34⅛	34½
88	44	2.00	Union Carbide & Carbon	13	12⅞
138¼	82¼	6.00	Union Pacific	81¼	82
31⅝	9⅝	—	United Aircraft (New)	127¼	125
20⅞	4½	—	United Airline Trans.	23¼	23¾
8½	1¼	—	United Corporation	17⅞	17¾
19⅛	9¼	1.00	United Gas Improvement	6⅛	6¼
58	35¼	2.00	U.S. Indus. Alcohol	15⅞	15½
34⅝	9¼	—	U. S. Rubber	51¼	52⅞
72½	27¼	—	U. S. Steel	30⅝	30½
26½	11¾	—	Vanadium	67⅛	66⅞
14	2¼	—	Warner Bros. Pictures	21½	21½
122½	32⅝	1.75	Westinghouse Electric	9⅝	10
				115	117¼

Call Money: 0¾ %

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